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USAID & SIDA FIRMA PROJECT

ANNUAL REPORT: YEAR 5

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ANNUAL REPORT: YEAR 5

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EXECUTIVE SUMMARY

FIRMA accomplished all aspects of its Work Plan in the project's five years, including 2013-2014, with all planned activities accomplished. PMP indicators are being met and/or exceeded.

FIRMA is partnering with the Bosnian private sector companies, business associations, regional development agencies and local governments. FIRMA is a leader in several key areas of private sector development, including sector specific activities, workforce development, access to finance and EU alignment. FIRMA's role in these efforts includes facilitation, technical assistance, donor coordination, publicizing and communicating, and monitoring.

FIRMA's approach continues to be effective. Working through our VCFs whose capacity we have built since 2009, FIRMA is reaching sustainability levels rarely seen in BiH. By combining the main hallmarks of all of our interventions such as sustainability, partnering, leveraging funds with donors, effective and efficient project management and outreach, FIRMA is able to leave its stakeholders with long-lasting legacy and meaningful impact in comprehensive private sector development. FIRMA has had several major accomplishments.

During the May 2014 floods and the immediate period that followed, FIRMA project kept in touch with all of its beneficiaries. FIRMA team was also collecting data on damages that affected the private sector production and jobs. Led by COP Karic, the team took an active role in all the donor planning activities that followed the floods.

The success and effectiveness of the FIRMA approach was confirmed by USAID and Sida in August 2014 when Cardno was given opportunity to extend the project for another 9 months. While the SOW has changed, FIRMA team is applying the same approach of working down the value chain while implementing the project effectively and efficiently.

PROJECT OVERVIEW

FIRMA is a five-year, \$20 million project that began in September 2009 and is funded by USAID and Sida. The purpose of the project is to support enterprise competitiveness in selected value chains of the tourism, wood, and light manufacturing sectors of BiH, in the process advancing the country's ability to meet the Copenhagen Economic Criteria for accession to the European Union. To support sustainability, the project works primarily through a group of key local implementing partners, known as the "FIRMA Consortium", who cover all regions of the country.

The goals of USAID and Sida for FIRMA are ambitious and transformational, and therefore require wide impact – in product design and quality, in ways of connecting to markets, in expertise of workforce, and in investment attractiveness. FIRMA's strategy is directed toward these systemic objectives.

The FIRMA workplan is defined at the private sector value chain level. Implementing partners, called Value Chain Facilitator (VCFs) organize stakeholders first to identify and prioritize competitiveness obstacles through value chain analysis, and then to originate and manage discrete activities to address these obstacles. FIRMA supervises and supports these activities, providing strategic and operational guidance, expert technical assistance, and grants from its \$3.3 million Small Grants Fund. In order to maximize scale and impact, FIRMA works closely with other donors and local government agencies that provide development assistance programs consistent with FIRMA's objectives – so-called "collaborating implementers".

FIRMA used 28 staff located in two offices (Sarajevo and Banja Luka), Bosnian and expatriate medium and short term advisors, and a grant fund to provide technical assistance to the Bosnian private sector companies and other counterparts. Banja Luka office closed on July 31, 2014 and we are happy to report that four out of five Banja Luka staff have already started new positions. Sarajevo office was downsized both in terms of staff and office space at the end of original contract period of

performance. Four Sarajevo based full-time staff completed their assignments on the project on August 15, 2014. The remaining reduced team has moved into a new office on August 28, 2014.

FIRMA has been implemented by Cardno Emerging Markets USA, Ltd. (Arlington, VA), with consortium subcontractors SIPU International (Stockholm, Sweden), JE Austin Associates (Arlington, VA), Making Cents International (Washington, DC), Orgut Consulting AB (Stockholm, Sweden), Pi Consulting (Sarajevo, BiH), and 16 regional and local economic development agencies in BiH. However, Cardno is managing the extension period from August 26, 2014 to May 26, 2015 as a sole implementing partner.

CURRENT STATUS OF AFFAIRS

FIRMA has a leadership role in many of its focus areas and it has managed to successfully complete 419 activities. 109 activities have been completed in this reporting period. Specific elements of FIRMA's approach include:

Sustainability: Since 2009 FIRMA activities have been focused on sustainability and addressing systemic obstacles in each of the sector areas. FIRMA has greatly contributed to the capacity of all of its stakeholders, both private and public. This has been accomplished through activities that focused on addressing workforce development, EU alignment, market connections, and sector specific activities. These are described below in greater detail.

Partnering with stakeholders: FIRMA has continued to work on a regular basis with its private sector and local government partners. This includes on-site consulting and training, regular consultations and reviews, grants to local organizations, and workshops. As a result, FIRMA is seen as the leading factor in the private sector development in BiH and has remained the most covered donor project. What's more, FIRMA is often asked to take on a leadership role in many activities. For example, FIRMA facilitated and coordinated an activity to employ around 60 new workers in Srebrenica. This included bringing in other donors and government to fund the activity and a local development agency to implement the training activity.

Cooperation with other donors: FIRMA has always aggressively looked for areas of cooperation with other donors. There is a wide scope for collaboration. Considering the complexity and vastness of the current development landscape in BiH, it is imperative that the donor projects work very closely thereby eliminating duplication of efforts.

Work organization: FIRMA staffing is organized around the three sectors and cross cutting areas. Within each of the areas the project has activity managers who are responsible for all aspects of their activity. Each activity is supported by cross-cutting staff (gender, EU alignment, access to finance, public outreach, grants, and PMP). The activity managers also work closely with any STTAs engaged and stakeholder teams. The project is supported by the field office and home office management and operation teams. This structure ensures close collaboration among the project management team consisting of FIRMA staff, STTA, and stakeholders. This provides environment for effective accomplishment of objectives and indicators.

Outreach activities: Each FIRMA activity is accompanied with an outreach support to publicize the success, lessons learned and also apply pressure on private and public sectors alike when needed. The communication tools used by FIRMA include national and local media, television, and project and stakeholder websites. Cardno has also designed a Knowledge Management strategy that will be implemented during the last nine months of the project.

SUMMARY ACCOMPLISHMENTS DURING PROJECT YEAR 5

During the fifth year of the project, FIRMA, together with its 16 local development agency partners, designed and launched 39 distinct **competitiveness-supporting activities** of its focus value chains, bringing the total number of activities initiated since the beginning of the project to 419, of which 109 activities were completed during the fifth year.

Table 1: FIRMA Activities

Project Quarter / End Date	Activities Initiated	Activities Completed
Total Year 1	48	18
Total Year 2	187	129
Total Year 3	70	89
Total Year 4	75	74
Total Year 5	39	109
TOTAL Project	419*	419*

*Includes child activities

These activities appear to have had a significant cumulative effect on the business results of project beneficiaries – the principal contractual objectives of the FIRMA project. The following table summarizes key business results of all stakeholders for the fourth full calendar year of the project (2013, for which most actual results were available in early 2014).

Table 2: Annual, Cumulative, and Target Growth

	Total Year 1	Total Year 2	Total Year 3	Total Year 4	Cumulative 2009-2013	Targets Year 4
Sales	10.8%	11%	6%	7.1%	40%	40%
Exports	10.2%	17%	6%	14.4%	57%	45%
Jobs	5%	9%	11%	8.7%	38%	28%
Finance	6%	11%	13%	13.2%	52%	32%

Source: FIRMA Baseline Survey 2014 Report

The targets and results are cumulative relative to the project's base year (2009). The Year 4 actual results meet or exceed the interim PMIs targeted for all business results. Furthermore, the actual results for Year 4, reported in the table below for FIRMA "designated beneficiaries" generally exceed the performance of each of the broader sectors in sales and employment growth.

Table 3: Industry Growth vs. DB Growth

Sector	Industry Sales	DB Sales	Industry Exports	DB Exports	Industry Employment	DB Employment	Tourist Arrivals	DB Tourist Arrivals
MP	4.6%	9.1%	7.9%	12.8%	1.9%	10.6%	10.8%	14.3%
WP	2.5%	3.4%	6.9%	14.7%	0.8%	6.4%		
TO	5.1%	7.2%	20.5%	26.3%	11.2%	7.2%		
Overall	3.9%	7.1%	7.9%	14.4%	4.7%	8.7%	10.8%	14.3%

Source: FIRMA Baseline Survey 2014 Report

When comparing FIRMA's Designated Beneficiaries growth to that of industry for 2013, FIRMA's overall results are better across the board. Our DBs have sales growth of 7.1% vs. estimated increase of industry sales increase of 3.9%, export growth of 14.4% vs. 7.9% of industry rise, and employment 8.7% vs. 4.7%. We did not receive sufficient replies from the tourism beneficiaries on growth in tourist arrivals. To obtain this figure were analyzed data from the statistical agencies for arrivals for Sarajevo and Herzegovina regions (which are the FIRMA designated areas). The same source was used to calculate the export for tourism DBs. However there is no information available for exports and we calculate this by multiplying the average tourist expenditure in BiH by the number of nights stayed. Overall, our DB results showed increases in all three sectors.

Collaboration and co-funding on projects remains an important element of the FIRMA approach. The table below covers all 417 activities completed since project outset. During Year 5, FIRMA's efforts

leveraged a total of KM 10.02 million in activity value 1.7 times the KM 5.8 million USAID-Sida investments from the project's fund. FIRMA contribution to the actual activities was 37% of the budget.

Table 4: FIRMA Actual Funds Leveraging

Sector	FIRMA	Partners	Companies	Total Others	Total All	FIRMA Shr	Leverage
Wood	1,456,018	1,034,808	1,375,720	2,410,528	3,866,546	38%	1.7
Tourism	1,954,200	3,310,180	558,045	3,868,225	5,822,425	34%	2.0
Metal	1,389,658	1,137,486	695,239	1,832,725	3,222,383	43%	1.3
Cross-Cutting	1,004,152	1,381,725	523,495	1,905,220	2,909,372	35%	1.9
Total	5,804,027	6,864,199	3,152,499	10,016,698	15,820,725	37%	1.7

SUSTAINABILITY AND OLD HIGHLIGHTS REVISITED

Since the start of the project, FIRMA has implemented 419 activities. Although we have specific indicators tracking our performance, in this year's annual report we are highlighting some of the interventions we undertook over the five years that address the key obstacles in each sector. While the final nine months of the project will have a different focus compared to the original scope of FIRMA, we are proud of the accomplishments during the original period of performance which have led to sustainable results:

Trade Fairs: One of the most important ways for companies to reach new buyers and markets is to attend trade fairs. Through its hallmark approach, of supporting Joint Fair stands, FIRMA has enabled different companies to attend 45 trade fairs. We have collaborated with the Foreign Trade Chamber (FTC) and the Export Promotion Agency (EPA) to organize the fairs and have built their capacity along the way to select the right companies to attend, to prepare them and to provide support. As of August 2014 we have transferred the metal and wood trade exhibition stands to the FTC. Our approach also involved gradually reducing our cost-share for repeat companies. Companies that would attend a second or third fair with FIRMA needed to provide a higher cost share. After their third attendance the companies graduated and had to cover their entire cost. A number of companies have reported that they will continue to attend trade fairs, even without FIRMA support.

BiH furniture companies generate great interest and secure new sales contracts at Cologne fair

Furniture made in BiH was especially well-received at the 2014 IMM Cologne, an international furnishing show. This was the fourth consecutive year that USAID-Sida FIRMA project, together with its partners, provided support for companies to jointly exhibit at this fair.

Seven participating companies secured initial sales contracts, totaling one million Euros. As a result of last year's support from the FIRMA project, participants exported more than six million Euros worth of furniture to the EU market. In addition to securing new sales, the companies made over 200 contacts. BiH furniture manufacturers have built a reputation for innovative designs and have received several prestigious awards at IMM. This year's FIRMA team delegation included Selma Basagic and Lejla Medjedovic, FTC Representatives, Salih Teskeredzic and Abdula H. Avdic, FIRMA Advisors and Sasa Kotlica, FIRMA Activity Manager. And companies: GMP Laktasi, Malagic Zivinice, Praktik Vogosca, Izazov Kalesija, Ingrat Gracancica, Wood Team Ilijas, Morea Kalesija.



EU Alignment - Standards: FIRMA made significant progress in the area of EU alignment to support companies to attain standards and certificates required by EU member countries. Both by directly supporting companies or establishing Quality Trade Funds (three funds were established: Republika Srpska, Una-Sana Canton and Central Bosnia Canton), FIRMA has supported over 255 companies to introduce standards including: Forestry Certification Council standards, ISO 9000 and 14000 environmental standards, and CE mark among others. Through FIRMA support the first accredited laboratory for wood furniture testing was opened in BiH. The laboratory provides companies with certification that their products meet EU standards – thereby reducing the costs for companies to send their products for testing in regional countries.

Workforce Development: One of the most innovative accomplishments of the FIRMA project was our approach to addressing workforce skills gap. Inadequate workforce skills are one of the most common obstacles to sustained growth for BiH companies. Through the establishment of local Vocational Educational Training (VET) Councils, FIRMA has ensured that a sustainable mechanism remains after the project ends, where private sector regularly articulates its needs to vocational schools and government. FIRMA has established 9 VET Councils and 378 people have been trained through the councils. VET Councils are not sector specific and respond to the needs of all three sectors.

Sarajevo as a Tourist Destination: Significant progress has been made in attracting travellers to Sarajevo and establishing Sarajevo as a standalone city break destination. To be able to address some of the obstacles to further progress (i.e. improve accessibility, destination planning, etc.) substantial effort has been dedicated to building partnerships among the private and public sectors. FIRMA encouraged collaboration between local government authorities, specifically the municipalities Old Town and Center and the cities of Sarajevo and East Sarajevo. Collaboration was achieved for the implementation of specific activities including the establishment of a tourism bus line between ski center Jahorina and Sarajevo during the peak winter season; joint hosting of East Sarajevo and City of Sarajevo for the European Youth Winter Olympic Festival (planned for 2017); and development of project proposals for EU funds for the EU Sarajevo 2014 project. Other activities included:

- > Enriching the Sarajevo tourism offer by supporting specific events such as the annual Sarajevo Holiday Market, the Summer Festival of Culture and Traditions, providing Bascarsija street signs and supporting the establishment of the first Bascarsija Tourist Welcome Center
- > Promoting Sarajevo at fairs, organizing foreign tour operators and travel writers Sarajevo familiarization trips; strategic communications campaign, and developing a destination portal

Tourism Familiarization Trips: FAM (familiarization) trips, also known as study trips, are a standard promotional tool in tourism. They involve travel media and/or tour operators and agents from source markets coming to a host destination where they are introduced to the country or city. By involving travel media, the destination can be communicated directly to the market, while tour operator can start organizing tours. FIRMA supported FAM trips from four markets:

- > Turkey – this initially included city and cultural tour operators. However after the first FAM trip, a number of tour operators requested that a second trip be organized focusing on adventure tourism. There has been an extraordinary increase in Turkish tourists visiting BiH in the last couple of years, 2013 alone saw an annual increase of 71.4%.
- > Sweden/Scandinavia – this included both media and operators and it promoted cultural heritage with a focus on the Herzegovina region. Since the FAM trips were implemented 5 new programs have been developed and taken to the market. Overall, the two main target countries, Sweden and Norway tourism arrivals increased by 70% and 78% respectively in the first five months of 2014.
- > UK – FAM trips from UK market were mainly made up of media representatives focused on cultural heritage and Sarajevo as a destination. General market information shows that the growth of visits from UK to BiH in 2013 was 28.4%.

- > US – focused mostly on specialized industry media, in particular bloggers and online magazine editors. The strongest push here was through a series of articles in Outside online magazine. In 2013 US market saw 5% growth; however the first five months of 2014 indicate significant increase in the number of visitor of 47.1%.

Outdoor Adventure Tourism: The adventure/outdoor tourism sector in BiH has more or less been accepted as a legitimate subsector. FIRMA contributed to this by supporting the establishment of the Adventure Tourism Association in BiH (ATA BiH), officially registered in 2011. Although ATA BiH is still a relatively young association, it has developed strategic connections with other associations internationally to facilitate the development of responsible adventure tourism in BiH. FIRMA also assisted with the implementation of internationally recognized certification programs for outdoor/adventure guides: rafting skippers with the International Rafting Federation, speed divers with Technical Diving International/Scuba Diving International, life guards and mountain guides.

SIGNIFICANT PROJECT OUTPUTS BY SECTOR AND WORK AREA

Wood Sector

Outputs in Access to Markets

FIRMA's approach to accessing new markets in the wood and metal sectors is based on three main areas: (a) attending trade fairs, (b) development of promotional materials and (c) engaging sales agents in market-targeted countries. The following is the list of accomplishments at each of the trade fairs attended by FIRMA partners.

GAST 2014 Split, Croatia: FIRMA supported five metal and wood sector BH companies to exhibit at the joint stand. Considering that the GAST fair typically has a customer base in catering companies and hotels on the Dalmatian coast, the Federation Tourism association also joined the FIRMA representation stand. This is the eighth joint BiH stand at GAST, the fifth time supported by FIRMA in collaboration with the FTC. Despite the reduction in size of the overall fair, the BiH stand was very well received and visited during the entire exhibition period. BiH companies held around 50 business meetings with potential buyers from the entire region with expected sales in the months to come.

INTERIO&EXTERIO 2014, BiH: FIRMA supported four companies to jointly exhibit on 300 sq.m stand at the BiH Interio&Exterio Fair. Traditionally the fair includes complementary events to further connect companies and buyers and promote the BiH furniture sector to the general public. The events included business-to-business meetings with foreign buyers and agents. The activities this year were slightly reduced due to the spring 2014 floods. However, productive meetings were held with a Dutch buyer through a business-to-business meetings and a number of companies are expected to expand into the Dutch market. FIRMA also organized the presentation of the Quercus 2011-2013 promotion catalogue which included previous design winners. Finally, the 7th Joint Annual Forestry Conference was held which gathered 37 participants including BiH government representatives, forestry management companies and wood processing companies.

IMM Cologne Trade Fair 2014, Germany: FIRMA supported seven BH companies to exhibit at the IMM trade fair in Cologne held January 13-19, 2014. Around 280 business meetings with potential buyers from a number of countries were held. Contracts were signed in the value of around €1 million. An additional sixteen BH companies who were visiting the fair used the stand facilities to hold business meetings with potential buyers making the joint stand the BH exhibitors' hub –meeting point for all BH companies at IMM Cologne.

Fair visit Salone Internazionale del Mobile Milano, Italy: FIRMA, jointly with BH FTC/BHEPA organized for five furniture manufacturers to visit the Salone Internazionale del Mobile fair in Milan, the leading trend setting fair in Europe held April 8-13, 2014. The visit included a guided tour of the exhibition, attendance at a training seminar with topics about furniture distribution in Europe, information about the European Timber regulation application in Italy, and the organization of business-to-business meetings with 13 Italian companies.

Fair visit - INDEX 2014 Dubai: FIRMA supported four BH furniture companies to visit the INDEX International Design Exhibition 2014 trade fair in Dubai from May 18-22, 2014 to help companies develop and connect to new channels of distribution in the Middle East. The four BiH companies joined by FTC representatives included: Arteco, Artisan, Izazov and Promo.

PSA 2014, Germany: The FIRMA-supported German sales agent renewed their lease contract for the BiH show room space for next year – without any support from FIRMA. FIRMA's initial support included only 2013, partially supporting the rental costs for the showroom in Germany and the development of promotional materials. The German sales agent has since signed letters of interest with 13 BiH furniture producers.

New sales in the UK through UK sales agent: With support from FIRMA a UK buyer visited wood-processing companies in BiH. The buyer was sourced through the FIRMA-established UK sales agent and had attended business-to-business meetings at Interio '12 and '13 fairs. The buyer has made orders with Izazov, Kalesija and Smrca, Bosanska Krupa to export their solid wood furniture. During the last three months these BiH companies shipped solid wood furniture to UK in the value of over \$85,000 (slightly over KM 124,000).

Promotional materials: FIRMA supported the production of promotional materials such as company catalogs and support to attain membership in a specialized online Architonic portal for Rukotvorine. Architonic is the most prominent online portal in Europe where architects, interior designers, and others interested in purchasing high end designer furniture go to purchase products. To be featured on this portal, in addition to paying annual membership fee, companies must meet strict design and quality criteria. Beneficiaries such as Bor, Eden Garden and Mega Drvo were supported in preparation and production of their improved product catalogues. Bosnia Beech Line applied for support in design of their newly established micro-cluster internet sales portal.

Joint Industry Catalogues: FIRMA supported the design, development and production of a catalogue featuring all of the wood-processing companies in the Una-Sana Canton. Forty companies are featured in the catalogue which was organized by the Cantonal Chamber of Commerce. The catalogue will be used by the companies and the local authorities to promote the sector. Apart from the printed catalogue, a promotional CD was completed. FIRMA worked with the FTC to design and produce an industry-wide catalog which features 184 BiH companies.

Workshop on export market strategies: FIRMA supported a two day training to help companies prepare export marketing plans on how to enter the European markets. The training organized by the REZ development agency and held in Zenica, provided companies with practical knowledge and skills to prepare market penetration strategies. The training was attended by 10 companies.

1.1.1. Outputs in Product Development

FIRMA's approach to product and productivity in the wood and metal sector involves developing a package of support for companies to address their major obstacle areas. The analysis involves conducting a performance improvement assessment which includes systematic review of the company to determine areas for improvement. Companies can have problems in low productivity, poor workforce skills for existing staff, and no trade certificates which all hamper their ability to enter new markets. To address this FIRMA developed a number of programs including the Qualified Technical Assistance program - a database of specialist consultants including: engineers, marketing specialists, and workforce development experts. Our team has also developed a number of programs to support companies to implement trade certificates as described under the EU Alignment section.

Performance Improvement Plans: The FIRMA wood sector team continued to implement performance improvement plans during this year with the following companies:

- > Smrca from Bosanski Krupa had quality issues when they made their first delivery to the UK which resulted in additional costs for the company. A QTC expert was engaged to provide technical advice to the company in their production facility and product finalization.

- > Masterwood from Kozarac was assisted to place an optimum technological and machinery layout in their factory and to introduce the use of technical documentation in the production process.
- > Four members of the DRVO Banja Luka cluster (Neso, Bor, Partner and Productcoop) were assisted to improve the design of their products in accordance with export market demands and to develop technical documentation for the products.
- > Izazov Kalesija, Namještaj Gradačac, MS&WOOD Fojnica, Standard Sarajevo, Drvo Produkt Ilijaš, Malagić Živinice, Malagić&Divani Brčko, NIRBO Vinac(from Jajce) and INGRAT Gračanica were supported to prepare to implement the Forestry Stewardship Chain of Custody certificate, commonly requested by EU buyers.

Republika Srpska Quality Trade Fund replenished: The Republika Srpska government and FIRMA expanded the RS Trade Quality Fund with each adding 10,000KM to the fund. With the additional funds 49 companies have been supported.

Design Day: As a part of the Interio/Exterio 2014 fair, FIRMA organized a two-day design event to raise awareness about the importance of design. Having long term development in mind, FIRMA supported workshops focused on the next generation of cadre in the wood industry, young talent. The activities included children-friendly workshops on fashion design, doll-making, pottery and drawing. During the first day, the children made their own products which were presented the following day when a fashion and puppet shows were held.

Connecting designers with wood sector and companies: BiH youth have a lot to offer the local private sector. FIRMA initiated an activity to connect young designers with wood-processing companies for the development of new products. The activity allowed student designers to gain hands-on work experience with companies, and recently graduated designers to start developing their professional networks. Established designers lead the group and mentor their younger colleagues. For companies a new product is designed, and a new strategic direction is developed moving them away from being outsourcing companies for the European companies. Five design teams led by renowned designers and young up and coming designers this year developed original products for five BH companies: Izazov Kalesija, Hidra Stil Brčko, Rukotvorine Konjic Economic Vitez and Petroprojekt Bratunac. After three months of intensive collaborative work, five products were designed and prototypes produced.

Training on Quality Management Systems: FIRMA jointly implemented with ZEDA a two-day training for wood-processing companies in the area of quality management systems (both ISO 9001 and FPC principles) for consultants and quality managers. The workshops were held in Zenica and around 20 participants attended each event. This training was the first phase to set up of the Quality Center in the ZEDA agency, which will service BiH wood processing and furniture producing companies. The 23 experts were certified and entered in the ZEDA WQC services database. A quality management manual was also produced in 100 hard copies and 60 CDs for new trainees.

Training in Financial Restructuring Methods: FIRMA provided technical assistance to two FIRMA value-chain implementers to transfer skills about financial restructuring for companies that are facing financial problems. A training event was organized for PREDA Prijedor and the newly established Una-Sana Cantonal Regional Development Agency in Bihac. A total of 20 people were trained in restructuring methods and techniques. With these skills the VCFs can now offer this new service to companies in their regions.

Training for Better Saw Log Utilization: Trainings were organized in November 2014 in Bihać and Vitez. Around 30 staff from 15 companies (WS companies, CoC and development agency) attended the training. The purpose of the training was to improve the knowledge of wood-processing companies regarding better and more efficient log utilization, and how to achieve cost-efficiency in this area.

Cluster DRVO Prijedor: FIRMA assisted DRVO Cluster Prijedor to engage a designer through the FIRMA supported qualified technical consultants (QTC) program to support four of their cluster

members to improve the design of their products. The companies were also supported to improve the interior design of their stores. Through this activity, four wood processing companies (Grossis, Masterwood, Namjestaj Gavranovic and DI Marko) received at least one new design which they can now manufacture and sell in the domestic and export market.

Establishing Wood Quality Center: BiH wood-processing companies often export their goods at lower quality compared to what is expected in the EU markets. FIRMA supported the establishment of a wood quality center in Zenica. Buyer and agents requested such a center in order to reduce the hassles and additional costs of fixing the furniture once it is exported. Companies, foreign buyers and agents will be able to use the center which will offer services for the final technical and quality check of products before they are exported. ZEDA staff developed the Strategic Development Plan. They also established the WQC-Quality Fund using FIRMA grant and prepared a rule book for its use.

1.1.2. Outputs in business environment

Una-Sana Canton Logs Distribution System: The logs distribution system was partially re-established in the Una-Sana Canton. The government failed to abide by the system in 2013 that was set-up by FIRMA's predecessor project. The sawlog distribution system for 2014 was administered correctly according to the valid rulebook. The only concern is that the calculations were done by USK Forestry Management Company and not by USK Chamber of Commerce. While the calculations are correct, this is in violation of the rulebook which mandates calculation by an independent body, in this case the USK Chamber of Commerce.

Accreditation of the LIND Laboratory: FIRMA supported the accreditation of the first laboratory for wood-processing companies in BiH. The laboratory was accredited by the Bosnian Accreditation Agency in accordance with BiH and EU standards. BiH companies will no longer have to send their products to third countries for certain tests, thus providing significant savings for companies. An event was held on the January 22, 2014 to open the center. The event was attended by the BiH Sida Director and representatives from the EU Delegation to BiH.

EKO BIS 2013 Experts Conference: The EKOBIS conference was held in September 2013 as a part of the EKO BIS fair in Bihac. The twelve leading Una-Sana Canton (USK) companies as well as representatives of the local government attended the conference. This year the main topics included the review of the state of the wood processing sector in USK and possible consequences of the new EU regulation EC/EU CPR (No.305/2011) with focus on lumber export restrictions that came into effect. The Sarajevo forestry faculty presented model forests, a new model for forestry management. FIRMA has traditionally supported this activity as an excellent venue for all regional experts in the wood industry to exchange their ideas, experience and to forge new partnerships.

Forests in Sarajevo Canton Conference: The FIRMA wood-processing team took an active role in an international conference -Forests of Canton Sarajevo its most vital resource which was organized by the Ministry of Economy of the Canton of Sarajevo and Sarajevo Forestry Faculty. FIRMA supported activities in both the forestry and wood-processing sectors were featured at the conference. FIRMA also proposed certain activities to be undertaken by the Sarajevo Šume forestry management and the Cantonal Forest Governance Unit, specifically obtaining the Forest Stewardship Council certificates and general management improvement. These suggestions were included in the conclusions of the conference.

1.2. Metal Processing

1.2.1. Access to Markets

Exhibition at Hannover Fair 2014, Germany: FIRMA supported five companies to jointly exhibit in the Industrial Supply Hall as well as another three companies on two separate stands in the Energy Hall. Three companies exhibited for the first time. Cable producers reported contracts signed in the amount of 3.6 million EUR which includes both, new and previous Hannover-related clients. Companies who were new to the fair are currently producing samples for buyers and they expect to sign contracts soon.

Visit to Automehanika Istanbul 2014, Turkey: Three BiH received FIRMA support to attend this fair. The purpose was to help companies establish and strengthen business contacts, and to increase their market connections. Automehanika Istanbul is Eurasia's number one OEM and vehicle aftermarket event. It brings together companies from the automotive manufacturing, distribution and repair sectors in the region and provides opportunities for SMEs to expand their business in the market. Of the three companies that attended (Famos, UNIS Tok and Pobjeda Tesanj). Famos was the most successful with contracts signed in the amount of 650,000 EUR.

B2B Mission at ESEF Fair, Utrecht, the Netherlands: The ESEF Fair is the largest and most prominent exhibition in the Benelux area in the field of supply, subcontracting and engineering. FIRMA support fifteen BiH companies to meet with potential buyers. The BiH companies were matched with twelve Dutch companies prior to the matchmaking event on the basis of the Dutch companies' preferences, resulting in 70 business-to-business meetings. As a result, three companies have reported that they signed contracts in the amount of nearly \$200,000 (approximately 300,000 KM).

B2B Mission, Bratislava, Slovakia: The purpose of the business mission was to enable BiH companies to establish and strengthen business contacts and to increase their market connections in the Slovakian market. Companies reported more than 100 contacts established with 31 Slovakian counterparts as a result of the visit. Its been relatively short time since business mission to Slovakia and no concrete jobs have been contracted yet. However, two of participating companies reported that they are still in the process of negotiations and that new business deals may take place soon.

B2B and Fair Visit in Turkey: The BiH FTC in cooperation with Kocaeli Trade Chamber organized a visit by BiH companies. The BiH companies attended business-to-business meetings and Match4Industry Fair, held in the province of Kocaeli, Turkey, known for its large automotive cluster. This was a good opportunity for the BiH business delegation to initiate contacts not only with Turkish, but also with a number of companies from other countries. According to a company survey data, 16 business contacts were established during the B2Bs. While one of the participating companies did not provide any data on the success of the fair, the other company expects to double its sales in 2013 compared to 2012 and also to significantly increase its exports and employment.

B2B with Dutch Companies: A B2B event between 20 metal processing companies from BiH and five Dutch companies took place in Zenica during the largest BiH metal industry fair - ZEPS Intermetal 2013. This was a joint effort between REZ, Embassy of Netherlands to BiH and FIRMA, which focused on promoting export activities and potentials of BiH metal companies and facilitated direct contact with Dutch firms interested in supplying metal products and subcontracting with partners from BiH. The meetings were an opportunity to present to the Dutch visitors all the business opportunities in BiH regarding the metal industry from trade, investment opportunities, outsourcing, joint investments, to entering the emerging South East European markets, etc.

Promotional Material Development: FIRMA supported GMC from Usora, a young manufacturing company of prefabricated halls and pallet racks. FIRMA helped GMC develop a company logo, catalogue and website. These promotional materials will help GMC to gain new clients in international markets.

1.2.2. Product & Productivity

Performance Improvement Plans: FIRMA supported the following companies to improve the quality of their products and improve efficiencies in their production processes:

- > TTO, Sarajevo producer of high quality stainless steel metal products, was certified according to EN 1090 standards. The standard certifies that all welding operations are completed in accordance with the European standard and this will help TTO increase their export share.
- > Lafat Komerc, Kalesija is a manufacturer of biomass boilers which manufacturers an environmentally sound heating solution. FIRMA supported them to obtain the EN 3834 certificate which will improve their welding and overall production process.

- > Provis, Visoko produces illuminated signs and digital prints. Since the signs are placed on steel construction they need to become certified according to the EN 1090 standard. This standard will be mandatory from July 2014 for all companies exporting to the EU and using welding process in their production. By implementing the standard, they will secure more sales in the EU market.
- > MCE, Usora provides services for metal machinery processing and laser cutting. As a fairly new company they needed to upgrade their production process by obtaining DIN EN ISO 3834 certificate, which was also demanded by their Italian client.
- > Oprema Omo, Mostar applied for support for CE marking for a pancake machine they manufacture. FIRMA provided technical support in development and implementation of all necessary technical documentation. Oprema Omo is now able to place the CE mark on their products.
- > Maks, Vitez and Selecta, Zenica are manufacturers of aluminum and PVC joinery for international buyers. FIRMA supported the companies to upgrade their current certificates in line with new EU directives applied to aluminum and PVC products.
- > MIP, Mostar is a construction company who needed support to develop a bankable business plan and apply for loan financing.
- > Timing, Tuzla and Lasta, Istocno Sarajevo applied for support for CE marking of the traffic signs they manufacture. Timing was supported to finalize the testing of its traffic signs and they are ready now for CE marking on their products. Lasta just started the process required to attain the CE sign. FIRMA will provide technical support in terms of preparing documents for CE marking. Two other companies that are also being supported by FIRMA to implement the CE sign - Trudbenik, Dobojo and Provis, Visoko are still in the implementation phase.
- > Al-Lux, Mostar is a manufacturer of decorative lighting. FIRMA supported the company to launch a web site and design a new catalogue. Through this promotion media Al-Lux will be able to raise their visibility in their main markets the USA and Canada as well as in the EU in order to acquire new customers.

SERDA Project Academy: FIRMA supported a five-day training event on project-management-cycle. Twenty nine participants attended the training from the metal, wood, tourism companies as well as research institutions. Apart from learning about the methodology, the participants went through case studies to better prepare for future donor-funded projects specifically in the area of innovation.

Prijedor Quality Fund: As a part of the Prijedor quality fund companies Metalmont Mijic and Steel Foundry received support to implement quality standards required for their manufacturing. Metalmont Mijic was certified with EN 3834 standard, while the Foundry obtained ISO 9001 standard.

Certification of production plants: In June 2014, in collaboration with BiH Welding Institute from Tuzla, FIRMA completed the certification of production plants in two companies. In total, FIRMA supported certification of 11 companies. Since certification represent a requirement for exports, it is expected that implementation of this activity will result in more export contracts. In addition, through this activity, FIRMA has indirectly supported development of domestic capacities capable to support BiH metal processing sector companies in certification

New Product Development: The two companies involved in the product development activity have confirmed that the Banja Luka Mechanical Engineering Faculty has completed their activities including preparation of product documentation for printing cartridge for Das-prom, and preparation of documentation for an elevator for Tri Best. Currently, the outcomes of this work are being verified with the MFT Lab of Banja Luka Mechanical Engineering Faculty. The prototypes for the printing cartridge were already completed, and it is expected that elements for the elevator will be produced by the end of 2014.

Krajina Innovation Facility: FIRMA designed and delivered a number of trainings to provide tools to our VCFs to support SMEs and research and development organizations on fostering innovation. The workshops were attended by the University Entrepreneurial Center (UPC) Banja Luka,

Innovation Centre Banja Luka (ICBL), Center for Promotion of Local Development (PLOD) Bihac, Development Agency of Una-Sana Canton (RAUSK) Bihac and PREDA. The participating organizations signed an MoU to cooperate in the provision of support services for innovation development in companies. The MoU signing ceremony took place in Banja Luka on July 30, 2014.

Solid works Training in Technical Schools: In collaboration with the technical school Gradiska, FIRMA supported a Solid Works training course in order to prepare eleven trainees for the Certified SolidWorks Associate. Previously, the school funded the purchase and installation of educational licenses for Solid Works software. Students at the school can now achieve skills that are demanded in the market, increasing their chances of employment and helping companies find skilled workers. Six teachers from the schools are also now trained to deliver Solid Works courses based on curricula developed for the course. The curricula, itself was finalized and adopted by RS Ministry of Education and Culture and the RS Pedagogical Bureau.

EU Directives Training: A seminar on CE symbols for producers of pressure equipment was held in Banja Vrucica on January 29, 2014. The seminar is primarily designed for companies which deal with welding and are interested in exporting their products and services to EU markets. About 28 participants from 20 companies were familiarized with the quality criteria for welding metals as well as the necessary documents and directions to implement ISO 3834.

Purchase of 3D printer for Prijedor Mechanical School: In order to improve the skills of secondary vocation schools and prepare them for work, FIRMA supported the procurement of a 3D printer for the Prijedor Mechanical School. In addition, the teachers were trained on how to use the new equipment. This was the continuation of previous efforts to strengthen the capacity of the Mechanical School Prijedor and its staff in 3D modelling (CAM/CAD, Solid Works).

Regional conference ENERGA: FIRMA supported the ENERGA conference, held in Tuzla from 10-12 June, 2014. The Conference was very well attended with more than 200 participants. The main purpose of the conference was to discuss alternative energy sources, energy policies and investments. The metal sector serves the energy sector in the construction of wind and solar power equipment.

1.2.3. Business Environment

Metal Forum 2013: The theme of the annual session of the BiH Metal Industry Forum at the 2013 ZEPS Intermetal Fair was 'Restructuring companies in the metal sector as a strategic factor in the successful development of BiH industries'. The long-term objective of the BiH Metal Industry Forum is to position the metal sector of BiH as a key industry for the economic development of the country. For this to happen, certain companies from this sector need to be restructured. The session was attended by 74 representatives from companies from the BiH metal sector, chambers of commerce, academia, business associations and governmental institutions.

1.3. Tourism

1.3.1. Access to Markets

The tourism industry in BiH is faced with its own set of structural obstacles. The responsibility for developing the sector has been allocated to the Entity and lower government levels. BiH does not have a National Tourism Organization, which would be responsible for international promotion and marketing of the whole country as a travel destination. This leaves the private sector stranded having to handle the international market access and promotion themselves. Over the past several years, the private sector was supported by different donors to participate in international travel fairs. However, attending fairs is very costly and most private sector players relied on donors for support.

To overcome the above obstacle in a sustainable and more affordable way FIRMA developed a model to engage agents in target markets – individuals who know the source markets well and already have connections with major operators. Each agent, identified by FIRMA, was brought to BiH for a familiarization and fact finding mission to look at the product base and capabilities of operators and service providers. Based on those findings a specific market entry program was developed and followed for each market. The proposed programs included specialized publications (Scandinavia),

visit to specific trade fairs (Turkey), familiarization trips for media and tour operators from source markets and special presentations and a B2B program in source market (UK). In each case, the agent in the source market conducted direct mobilization of media and operators.

Sarajevo 2014 – The Opportunity of the Century (Destination Marketing Framework): A panel discussion was held as part of the Weekend Media Festival (WMF) program *Sarajevo 2014 – The Opportunity of the Century* to promote Sarajevo to regional media. The panel was actually the launch of Sarajevo 2014 communications campaign focused on promoting the upcoming 100th anniversary of the start of WWI, and other important anniversaries that fall in 2014 – 30 years of the XIV Winter Olympic Games, 20 years since the Sarajevo Film Festival started and others. This launch was scheduled as part of the WMF which attracted 4000 regional media representatives.

Sarajevo 2014 – Communications Campaign: Sarajevo marked several important anniversaries in 2014, the key ones being the 30 year anniversary of the Winter Olympic Games, 20 years since inception of the Sarajevo Film Festival and 100 years since the start of WWI. In order to facilitate the timely and comprehensive communication of the events and activities planned, FIRMA project supported the Sarajevo Navigator/Linden (City Break VCF) to develop, execute and manage a communications campaign. Sarajevo Navigator/Linden was also appointed by the City of Sarajevo as the official promotional agency for the 2014 events. The Campaign has a regional focus and will last throughout 2014, with four peaks:

- > The first two peaks of the Campaign were the My Olympic Memories aimed to link back the Olympic community as well as citizens and guests of the XIV Olympic Games. Implemented through social media it reported over 5,500 FB likes and over 300 photographs contributed to be used as contribution to the Olympic museum collection.
- > The third peak focused on the reopening of the Sarajevo City Hall – Vijećnica on May 9, 2014. The effort resulted in several dozens of articles including coverage by the international media such as CNN and BBC. The campaign action through the web portals and social media platforms created high volume of traffic, including direct “reporting” by those present at the event.
- > The fourth peak of the Campaign focused on Sarajevo Film Festival (August 15-23, 2014). FIRMA support was focused on development and production of the campaign and its communication tools.

Destination Sarajevo – Internal Campaign: In view of the special events and anniversaries that Sarajevo is celebrating in 2014, it was expected that Sarajevo would have a high number of visitors during this year and in particular during the summer months. With this we wanted to increase awareness among the local population of Sarajevo as a tourism destination. FIRMA launched a media campaign *Feel Sarajevo* in BiH to communicate the events, product elements and values of Sarajevo as a travel destination to the local population. The billboards were featured in Sarajevo and along the main traffic routes entering the country from the north and the south.

Destination Sarajevo Travel Portal: FIRMA supported the first Sarajevo destination portal – a comprehensive web portal that promotes destination Sarajevo (including territories of Sarajevo and East Sarajevo) through a dynamic market driven design and online booking service using one of the leading booking engines – Booking.com. The portal, officially launched on April 15, 2014, includes all segments of the destination offer and enables visitors to learn about, identify and book all segments of their travel according to their interests (from flights to restaurants or event tickets). The goal is to have the portal become the primary comprehensive platform for the industry to communicate and promote their products. This portal containing information about accommodation, restaurants, tours, guide services, and events will allow visitors to tailor their visit accordingly. Since it was activated, the Destination Sarajevo Facebook profile has attracted over 24,000 fans.

US Media FAM Trips: Following earlier presentations at the US market (OESK 2011, National Geographic Western Balkans Geotourism Map Guide, 2012, 2013 and 2014) FIRMA supported a specialized travel media visit by US media to BiH. Two visits were hosted in 2013-2014 and it included:

- > Forrest McCarthy who published a promotional feature story [Packrafting Bosnia](#)^{*} through the ISSUU blog
- > Alex Crevar who commissioned five articles on the Via Dinarica trail for the online edition of Outside magazine – the leading adventure and outdoor travel magazine in the US. [Three of these articles are on BiH locations](#)[†]: Una and Sutjeska National Parks and the Tobacco Smuggling Trail (Blidinje to Lukomir). Articles ran as a series and the first story was published in the last week of July 2014 and attracted 1677 shares by its readers.

International Tourism Days Sarajevo 2014: FIRMA supported the presentation of two programs: Via Dinarica and Western Balkans Geotourism Map Guide at the International Tourism Days Sarajevo 2014 fair. The event representing a successful result of a public-private dialogue led by FIRMA was organized as an effort to revive the once very successful Sarajevo annual tourism industry gathering. FIRMA continued providing technical assistance to the host of the fair – Centar Skenderija –for the duration of the project on developing the long-term vision for this industry event. In a joint presentation with the Tourism Group of the Foreign Trade Chamber of Commerce, FIRMA team presented the BiH Brand Toolkit. A tailored publication developed as a guideline for all stakeholders that promote BiH internationally, this toolkit provides reference on how to manage communication in order to maintain the core brand values for BiH tourism.

ITB Berlin 2014 – Regional Cooperation Visit: FIRMA led a visit of a BiH ministerial delegation to ITB Berlin 2014, the largest travel industry fair. BiH has been exhibiting at the fair since 2000. The delegation included representatives from entity ministries (RS Ministry of Trade and Tourism and FBiH Ministry of Environment and Tourism), the BiH Western Balkans Geotourism Map Guide portal editor, the ATA BiH and FIRMA activity manager.

Exceltur Tourism Leadership Forum at FITUR: FIRMA supported BiH's participation at the Exceltur Tourism Leadership Forum in Madrid Spain. This forum is an annual event hosted by UNWTO and the organizers of FITUR (Spanish travel fair), and is dedicated to providing a platform for discussions and knowledge sharing among industry leaders. The Seventh Exceltur was focused on Tourism as a key driver to support the country brand. The Forum introduced BiH delegates with the latest trends and the lessons learned on the importance of the adequate brand management for successful market performance. It also provided an introductory session with the Adventure Travel Trade Association on the possibilities for wider cooperation on development and promotion of adventure tourism in BiH.

EMITT 2014: FIRMA supported a special presentation of Sarajevo 2014 program and campaign at the largest travel fair in Turkey, EMITT 2014, held in Istanbul. The fair provides access to key Turkish operators and a wider consumer audience in the largest and most affluent market within Turkey. BiH was presented at the EMIT fair last year (2013) and combined with two sets of FAM trips this presentation contributed to the tremendous growth of over 70% in numbers of Turkish visitors to BiH in 2013. Sarajevo 2014 campaign was promoted as a section of the BiH stand. Promotional materials were tailored specifically for the Turkish tour operators and the average Turkish tourist. The team met with the BiH Ambassador in Turkey informing him of the existing promotional efforts in Turkey and to secure Embassy support in further tourism related discussions with Turkish organizations such as Turkish Association of Travel Agencies (TURSAB) or others.

Familiarization trip for Turkish Adventure Operators: As reported last year, FIRMA supported a familiarization trip for a group of Turkish tour operators as recommended by the FIRMA technical expert on Turkish market Gurkan Ozer. Based on the first trip, a second familiarization trip for Turkish tour operators specialized in adventure travel was organized. This trip was delivered in full coordination with TURSAB. A group of six Turkish operators and two Turkish media representatives enjoyed a program focused on adventure activities such as hiking, mountain biking and rafting. The goal of the trip was to introduce Turkish operators to the offer and capacities of BiH adventure

^{*} ISSUU blog: <http://issuu.com/ckerns/docs/bosnia/3?e=6975100/5455965>

[†] <http://www.outsideonline.com/adventure-travel/escapes/go-list/A-Balkan-Journey-Slovenia-to-Croatia.html>

agencies and initiate communication between the BiH agencies and their Turkish counterparts. For summer 2014, two new programs were developed and were offered through Turkish operators. The FAM trip was delivered in partnership with Turkish Airlines who provided free flights for the Turkish delegation.

Promotion of BiH tourism offer in the United Kingdom: Following the recommendations delivered by Mr. Chris Woodbridge, the UK market expert and the initial effort to enter the UK market (presentation at BiH Embassy in London and series of direct B2B meetings) delivered earlier in 2013, the final year of FIRMA project support was focused on providing support to UK specialized travel media to visit BiH, this included visit by:

- > Andrew Mazibrada - a recognized travel reporter with his own [travel blog](#), Journeymantraveller[‡] is also a co-editor of the Sidetracked Magazine Andrew Mazibrada wrote four articles in four different UK print media.
- > Alicia Miller – travel writer specializing on gastronomy based travel; feature story on Sarajevo published in October 2013 edition of Food and Travel magazine (section City Breaks).
- > Mary Novakovich – reporter for The Independent; [feature story on Sarajevo](#)[§] published in The Independent in November 2013.
- > Rudolf Abraham - award-winning travel and documentary photographer and writer specializing in Croatia and Eastern Europe. His commissioned article focused on stecci (medieval tombstones) in BiH for [Hidden Europe](#)^{**}, print circulation ~5000 plus further copies to British Council. Photo journal from this visit was published through [his blog](#)^{††}, while the article will be published in Hidden Europe at a later date.
- > Christian Schuhbock - journalist from Austria specializing in reporting on UNESCO protected sites.

1.3.2. Product & Productivity

Bascarsija Traditional Crafts Certification Program: Bascarsija Traditional Crafts Certification program developed a certification model for traditional crafts (skills), products or designs. The program was led by ZUP Bascarsija, FIRMA VCF, and it included development of the entire model of certification and regulatory framework for certification to obtain the seal of geographic origin for the traditional crafts. This process included cooperation and coordination with two key institutions – National Museum who are the experts on ethnography and the BiH Institute for Intellectual Property as the institution that provides the geographic origin seal. The process included the development of rulebooks, as well as individual nominations files for each craft and craftsmen that were submitted for certification. A total of 19 craftspeople received certification for six crafts. On April 28, 2014 the certification program for traditional crafts and craftsmen was officially announced and an award ceremony was held. The certified craftspeople have the right to use the Original Sarajevo Quality seal, with the full branding kit with guidelines, package samples, seals, and special stickers to mark their premises. This will allow them to differentiate protected traditional crafts from other products in the Bascarsija area. The promotion will also be continuously delivered through different channels that include web, Sarajevo Navigator city guide, media reports and others.

Rural Tourism Support: In 2013, FIRMA commissioned an assessment of the status and framework for development of rural tourism in BiH. The activity included several workshops with rural accommodation service providers and BiH travel agencies with a 12 rural service providers and 8 travel agencies taking part. The recommendations from the assessment included targeted interventions that involve actions for the private and public sectors. Stakeholders from the private sector made a

[‡] www.journeymantraveller.com; www.sidetracked.co.uk

[§] <http://www.independent.co.uk/travel/europe/sarajevo-a-crossroads-of-culture-and-history-8919082.html>

^{**} www.hiddeneurope.co.uk

^{††} <http://www.rudolfabraham.co.uk/gallery-list>

commitment to implementing their actions on June 23, 2014 when they signed a Memorandum for Cooperation. The Foreign Trade Chamber has taken the role to coordinate future efforts in this area.

Jajce Local Tourist Guides – Training and Certification: FIRMA supported the Youth Center Jajce to implement a specialized training for Jajce tourist guides. The program was developed and delivered in partnership with the Agency for Protection and Management of Cultural, Historical and Natural Heritage of Jajce Town. Jajce has seen a 300% increase in the number of visitors in 2013, and the trend has continued in 2014. Jajce is a destination with extremely rich and layered heritage, and there was a need to provide visitors with a service that is capable of interpreting this heritage for the visitors. The guide service will be specialized to complement tour leaders that arrive to the destination with the group, or provide tailored tourist to visitors that reach out to the destination directly. Out of twenty two candidates who attended the training 15 successfully completed it. In order for their certificates to be fully operational these 15 candidates had to complete the general tourist guide training and certification with the FBiH Ministry of Environment and Tourism. The training was successfully finalized on June 3, 2014

Sarajevo Symphony Open Air Concert: FIRMA supported the Sarajevo Symphony Orchestra to promote the orchestra's recognition and help build a wider audience base. Several sets of actions were formulated and discussed, resulting in a decision to hold an Open Air concert on May 9, 2014, as a special program for the citizens accompanying the opening ceremony for the Sarajevo City Hall. The concert was attended by several thousand spectators and was extremely well received. Following the successful organization of the concert, FIRMA continued to provide Sarajevo Symphony Orchestra with technical assistance on possible modules for attracting additional funding. A set of sponsorship and partnership packages were developed and delivered to the Orchestra management.

Opening of Sarajevo City Hall – Vijecnica

FIRMA provided technical assistance to the City of Sarajevo to develop and deliver the program for the opening of the Sarajevo City Hall – Vijecnica. The event was held on May 9, 2014 and included Mayor's Cocktail ceremony inside the Hall, and a 2 hour outdoor program for citizens and visitors, including the Sarajevo Symphony open-air concert. The event attracted several thousand spectators and was televised by BHRT. BHRT provided a Eurovision link of the program, while Al Jazeera secured satellite link for all media outlets. The program was delivered by local artists including the famous Sarajevo Cellist Vedran Smajlovic and the 150 member children's choir. Following the launch event, FIRMA continued to provide City of Sarajevo with technical assistance to mobilize the Vijecnica site for tourism related activities. FIRMA developed and provided the City authorities with the basic concept for a Visitor Welcome Centre as a medium to long-term solution. In the meantime for the summer of 2014 FIRMA provided design and production of a set of exhibition stands. On August 1, 2014 the exhibition *Sarajevo City Hall – Revisited* was opened in the City Hall. FIRMA provided support to redesign (from its 2011 edition) the exhibition and its implementation. The exhibition offers a historic overview of the City Hall construction, destruction and reconstruction with many original drawings and plans. The exhibition has become a permanent fixture of the City Hall offer.



Radimlja Souvenir Shop, Stolac: FIRMA, through its VCF REDAH, provided assistance to an initiative by NGO Vidoski grad from Stolac to establish a souvenir shop at Radimlja – one of the largest stecci necropolises in BiH. FIRMA support was focused on purchasing the shop displays and developing the design and subsequent production of the first set of souvenirs to be offered through the shop. NGO Vidoski grad facilitated two workshops with local designers, artisans and craftsmen to develop the souvenir design. The motives selected included two designs based on the traditional folk

clothing applied on a selection of items such as cups, magnets and other souvenirs. In addition a promotional leaflet is being developed to communicate this heritage and the initiative to visitors. The overall project was implemented in partnership with the Radimlja Public Institution which provided the premises for the souvenir shop. With the expected listing of Radimlja stecci as an UNESCO site, it tourists will flock even more to the site. It is also an opportunity for local artisans to offer their products and increase their incomes.

AH&LEI Training and Certification: In cooperation with the USAID REG project, FIRMA supported a delegation of BiH hoteliers to attend the American Hotel and Leisure Education Institute (AH&LEI) training and certification program offered in Belgrade, Serbia. The program focused on training and certifying a core group from each of the participating countries (Serbia, Montenegro, Macedonia and BiH) in key hotel management skills. The program was delivered in a specific format of train-the-trainer, which will allow those that successfully complete the certification to roll out training programs in their home countries, as well as to build a network of trainers that can facilitate future skill transfer across the region. The BiH participation was coordinated through the FTC and in particular ECOS, as the education center of FTC. ECOS entered into an MoU with the AH&LEI as the long-term partner organization to manage the roll out process as well as possible future expansion of programs in BiH.

Traditions and Creative Workshops at Sarajevo Holiday Market

Sarajevo Holiday Market (SHM) is an annual event established with FIRMA support in 2011. In 2013 it had its third edition from December 11, 2013 to January 15, 2014. The event itself is sustainable and has become the staple program of Sarajevo winter offer. Each year the SHM aims to improve, expand and enrich its program, especially in the areas of stronger promotion of local traditions and handicraft. For SHM 2013/2014 FIRMA supported a set of traditional crafts workshops for children. The workshops allowed children to observe the craftsmen and to try either independently completing specific steps or assisting the craftsmen – depending on the difficulty and adequacy for their age. The workshops served to enrich the program of the SHM but even more so to introduce children to the BiH heritage. SHM will happen this year without FIRMA financial support.



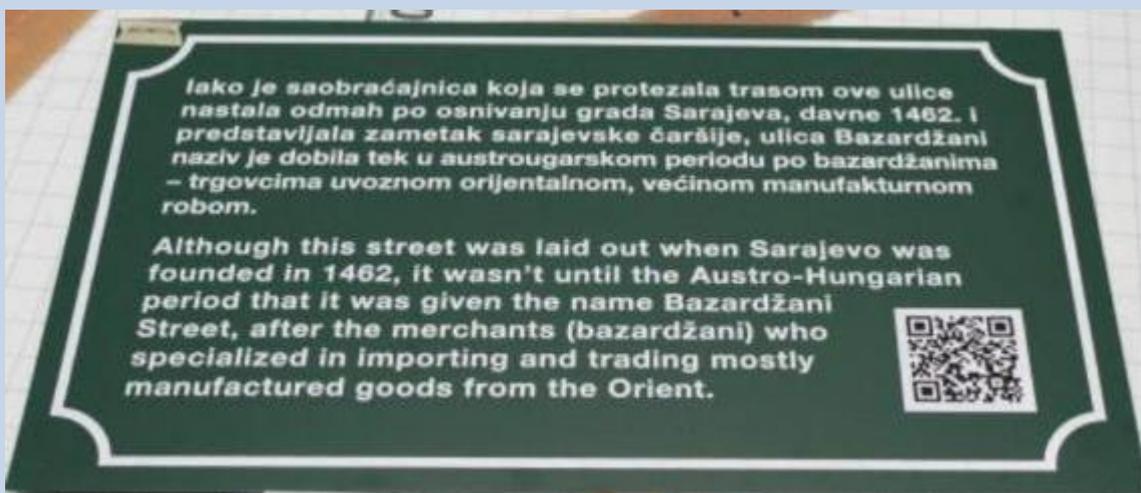
Sarajevo Attractions on BiH Guide Smartphone/iPad Application: FIRMA supported an effort to include around 50 tourism attraction sites in Sarajevo which were integrated into the smart phone BiH Guide app. BiH Guide was developed in cooperation with Oxfam Italia and it included entries from the Three Valleys program implemented by Oxfam Italia. FIRMA support focused on the development and upload of entries from Sarajevo Destination, thus ensuring key attractions in and around the city are available to those using the app. As the application is based on Garmin navigation model, it enables a much improved orientation for visitors and tourists.

Baljvine Village Project: FIRMA provided technical support to the Association of Tourist Guides of Republika Srpska (ATGRS) to develop a project application for Baljvine Village project for which the ATGRS received support in the amount of 30,000 KM from the US Embassy. The project included working with the local population on creating tourism product that can be included in the regional tourism offer of Banja Luka, Jajce, Sipovo and Mrkonjic Grad.

Interpretative Skills Training – Assistance to National Park Una: Earlier in 2013 FIRMA engaged Michael Olwyler, an expert in national parks, to deliver training for NP Una. The consultant visited NP Una on a fact finding mission and conducted a needs and gaps assessment. Furthermore, he developed a tailored program for the NP staff and local stakeholders focusing on developing interpretative skills for protected areas. Fifteen participants attended the 2-day intense training and they included NP staff, local stakeholders (representatives of Bihac municipality and local businesses that operate within the NP Una boundaries), and a representative from each of the remaining 4 protected areas in BiH. A pre-session was also developed and delivered through cooperation with a visiting US Forestry Services delegation. The consultant continued working with the NP Una management beyond his engagement through FIRMA, guiding their effort in defining their goals and seeking financial support for a study visit to a US national park. In early summer of 2014 their effort received commitment from the George Wright Society who agreed to finance the study visit to a US national park for learning purposes. Further support is being sought from the Trust for Mutual Understanding to support the delegation of four members of NP Una management staff. The study tour is planned to last for two weeks and will focus on practices in recreation management and administration, interpretation, visitors' services, community relations, and research. FIRMA and US Forestry Service provided letters of support for this application. Should the application be accepted, the visit to the US will be take place in 2015.

Interpretative Signage for Bascarsija Streets - Origin of Names

Bascarsija – the old Ottoman quarter in Sarajevo is probably the most attractive section of the city. It is definitely a must see for all those who come to Sarajevo, and often takes a large portion of their time. The narrow streets and alleyways of this historic core carry the rich heritage of the City, including the unique heritage hidden in its street names. Many streets carry names of old traditional crafts and trades and thus communicate the way Bascarsija used to be organized at its peak. To better communicate this specific story of the quarter's life to visitors and new generations alike, FIRMA supported an initiative by ZUP Bascarsija, FIRMA VCF, (Business Improvement District) to develop interpretative signs for the historic quarter. The interpretative street signs accompany the street names plates and enable visitors to learn about the heritage of Bascarsija life. The interpretative signage also offers QR codes enabling those interested to easily and quickly access more detailed information on the street itself and Bascarsija as a whole, as well as period photographs where available. The initiative was implemented with support and cooperation of Municipality Old Town as the administrative unit managing the Bascarsija area. Finally the street and the interpretative signs were produced by Pismolik, a local company employing hearing impaired persons. In total some 50 streets received interpretative signage and total of 250 signs were installed.



Mountain Biking Trails on Mt. Kozara: The Mountain biking Marathon held on October 6, 2013 attracted some 200 cyclists from the region and nearby EU countries. The Marathon was organized to promote the renewed mountain biking (MTB) trails throughout Mt. Kozara. The initiative delivered by Pro Cycle received FIRMA project support earlier in the summer to clean, map and mark in total 65 km of routes for longer marathons, 33 km of short marathon routes and 4 km of recreational routes. The new MTB routes thus have become an integral part of the outdoor/adventure offer of the Mt. Kozara range, directly and indirectly improving and expanding the offer of NP Kozara, hiking and MTB service providers in Prijedor, and wider enriches of offers of Banja Luka and Jajce-Mrkonjic Grad basin. The MTB routes on Mt. Kozara also complement the biking corridor that is being developed by PREDA and which links the Prijedor area with Croatia and further with the EU biking corridor network.

ATTA Adventure EDU Training: ATA BiH coordinated the delivery of the first ever Adventure EDU program in the SEE region. The Adventure EDU program is a specialized education program developed and offered by Adventure Travel and Trade Association (ATTA) and focused on improving skills and performance of adventure travel operators worldwide. The curriculum focuses on best practices and is delivered by some of the world leading operators and agents. This ensures direct knowledge transfer from the best in the adventure travel. The USAID REG project was also asked to participate to ensure regional participation in the training program. Agencies from the SEE region (Serbia, Montenegro, Macedonia, and Albania) all participated in the training thus also building a network of agents that share market values and common goals. A total of 19 agencies attended the training, eight were from BiH.

WB Geotourism Regional Stewardship Council Meeting: Immediately following the Adventure EDU training, the expanded meeting of the Western Balkans Geotourism Regional Stewardship Council (WBGSC) meeting was held in BiH. The WBGSC is the governing body of the regional Western Balkans Geotourism Map Guide initiative developed and implemented in partnership with National Geographic. The September WBGSC council meeting focused on regular implementation issues and presentation of the solution developed for the Western Balkan Geotourism Mobile Application. The launch of the application is expected towards the end of 2014.

North East Bosnia and Herzegovina Tourism Product Assessment: FIRMA commissioned an assessment of the tourism product of the north-eastern BiH. Thus far the NE BiH had not been seen as a major tourism area of the country, however several strong local initiatives (including the Banovici Ciro and Tuzla Panonica Salt Lakes) and the opening of Tuzla airport as the first low-cost airport in BiH, may allow for opportunities for faster progress in tourism development. The recommendations included the need to change the approach of tourism development from the current administratively driven method to a destination and/or region based approach. Further, it highlighted the need to support the development of tourism based on industrial heritage – recognizing the competitive advantage it holds. On July 8, 2014 in cooperation with the Tourism Community of Tuzla Canton a presentation of the research and recommendations was delivered to the tourism industry stakeholders of the region. The audience included two cantonal Ministers – for Trade and Tourism and for Urban Planning as ministries with responsibility in further pursuing tourism development issues in their Canton.

Festival of Culture and Traditions - Ramadan Festival: A festival celebrating cultural heritage and traditions of the people of Sarajevo was officially opened on June 27, 2014 at Zuta tabija site. As the month of Ramadan falls during the high season period it was decided that the festival could offer an opportunity for tourists to witness joint evening meals at sunset as a part of the breaking of the fast. Overall, twenty three different events (exhibitions, concerts, discussions) on four locations were organized as part of the Festival, in cooperation with the Gazi Husrev Bey's Library, Faculty of Islamic Studies, Islamic Community of BiH, Sevdah Art House, and the Municipality of Stari Grad. The festival program was financially supported by EU Delegation to BiH. Program was well received and visited by both tourists and citizens, while new tourist attractions - one of the Sarajevo's vista points Žuta tabija / Yellow fortress was cleaned and made more attractive to welcome city visitors.

Rafting Rally Banja Luka 2014

BiH, and the region, experienced catastrophic floods in May 2014. The BiH adventure community and especially the rafting and rescue community were at the forefront of the rescue efforts. The rafting community responded immediately and were en-route to the affected parts of the country within hours of the first news breaking, driving across the country, from one affected location to next, where their help was most needed, rescuing people from their flooded homes, delivering food and medication, and all that while their own homes and businesses were being flooded. During the rescue efforts, a significant amount of equipment was destroyed or lost, leaving the rafters with decreased capacity for the tourism season.

To support the recovery of the rafting community FIRMA with ATA BiH coordinated a Rafting Rally that was held at the Karanovac Rafting Centre near Banja Luka. The overall Rally program included the IRF Medal of Bravery award ceremony to all teams that participated in the rescue effort, the Adventure Fair – event that allowed different service providers from BiH to present their products and offer. FIRMA supported the special section of the Rally program – a series of IRF safety upgrade trainings delivered to rafting teams from the 4 key rafting rivers (Vrbas, Una, Neretva and Foca). The training focused on IRF safety guidelines for rafting operations and rescue missions. Twenty team leaders received full IRF certification. In addition, FIRMA equipped all teams (rafting, rescue, and fishing), in total 54, that took part in May 2014 rescue operations with basic white water first aid kits, and equipped ATA BiH with the initial 10 personal dry suit rescue sets to be available for rescue mission of its members.



Banovicki Ciro – Narrow Gauge Railroad in Banovici: FIRMA supported the refurbishment of two open air train cars with the goal of increasing the capacity of narrow gauge railroad as a tourism product in Banovici. The narrow gauge track in Banovici operates as a live track, integral to the overall railroad network within the Banovici coal mine. Over the past three seasons Banovici has been receiving specialized groups from Switzerland and the UK – responding to the interest within the specialized market niche of train watchers/lovers. The additional two train cars were refurbished increasing overall carrying capacity of the narrow gauge train and making one carriage suitable for passengers with restricted mobility. The promotional ride was held on June 21, 2014 and it included local media representatives. The expansion of the train capacity is the first step in the implementation of the full project that includes extension of the narrow gauge track to link Banovici with the facilities on Mt. Konjuh, and also establishment of Museum of Mining, which would be the first effort in BiH and even region to bring industrial heritage to the forefront of the tourism offer.

Tourism Working Group (TWG): Despite the current status of the affairs within the TWG and them not meeting, the cooperation with the members of the TWG continued through Year 5. This was done more in the form of consultations with the group members in individual basis rather than as group effort.

Tourism Statistics: FIRMA facilitated the opening of communication channels between the BiH institutions dealing with tourism statistics in BiH – the Agency for Statistics and the BiH Central Bank with the expert team from the Zagreb Institute for Tourism (Zagreb, Croatia). Following several consultations with the expert team from Zagreb Institute, FIRMA supported representatives of the two BiH institutions to attend a full day meeting in Zagreb. The meeting was dedicated to discussions on Croatia’s experience in advancing tourism statistics and lessons learned, as well as a possible approach that would be applicable to the unique BiH environment.

1.4. Access to Finance

FIRMA's access to finance initiative consists of (i) improving company-level financial management and operational efficiency, (ii) stimulating financial product innovation on the part of banks, and (iii) supporting effective consulting intermediation between companies seeking finance and financial institutions. A particular focus is encouraging use of the USAID-Sida DCA program.

Qualified Business Finance Consultants: FIRMA’s Qualified Business Finance Consultant (QBFC) program addressing a key obstacle in SME access to finance – the need for trusted and competent consulting assistance to help SMEs approach financial institutions, while providing financial institutions with greater confidence in SME creditworthiness.

Since January 2011, when the certified consultants began to engage companies, FIRMA has supported 62 companies to receive loans which totals KM 39.6 million. QBFC program use is spread across all three FIRMA sectors.

Table 5: QBFC Program Status

Sector	Loans Approved	
	# Companies	Amount KM
Metal	31	16,226,272
Wood	19	14,272,310
Tourism	12	9,079,000
Total	62	39,577,582

In addition to the QBFC program, the FIRMA Access to Finance expert provided support to the following companies:

Budo Export doo Zepce Supported in Developing Business Plans: A producer of solid wood panels Budo Export from Zepce required assistance to complete a business plan for a loan application in order to finance further production expansion and restructure existing loans. Budo managed to recently obtain a new loan from NLB bank in amount of 2.2 million KM.

Sofic Jewelry: In cooperation with the National Museum of Bosnia and Herzegovina, Sofic Jewelry produces replicas of old Bosnian jewelry and is currently the most successful goldsmith in Bašćaršija. Sofic is currently planning to expand their production and further build their sales and distribution network. With support by FIRMA, Sofic developed a business plan and applied for a 200,000KM loan at the Federation Development Bank.

EE Euro Exim doo Breza EE Euro Exim doo Breza is currently looking for financing their innovative bio fuel ethanol from wood waste production facility. Euro Exim successfully piloted ethanol production on a small scale proving the business model ready for scaling into full commercial production.

Pelex doo Cazin Supported in Developing Business Plans: Pelex doo Cazin is also looking for a joint venture partner for sawmill and production of Euro pallets at their production location in Bosanski Petrovac. The total required investment amounts to 2.87 million Euro with projected investment return in 3.5 years.

Support to DCA applicant Amadint doo Cazin: FIRMA visited a DCA applicant to provide a technical opinion about the company and its operational capacities as input to the USAID Mission as a part of the DCA approval process. During the visit FIRMA completed a review of the wood pellets production business plan and made an assessment of the management capabilities of the company and their market growth possibilities. Subsequently the DCA guarantee was approved by USAID and the loan was disbursed through Sberbank BiH.

1.5. Workforce Development

The development of occupational standards for six occupations in wood processing, metal processing and tourism industry. With support from FIRMA and the German GiZ, the Agency for Pre-Primary, Primary and Secondary Education (APOS0) has completed the development of occupational standards for six occupations in the three FIRMA-supported sectors. APOS0 formed three sector expert working groups to develop the occupational standards, which included employer representatives, Employer's Associations, Chambers of Commerce and Employment Agencies. Based on previously conducted surveys completed in 48 companies, the working groups then held four rounds of three day working sessions in Banja Luka further defining new occupational standards for Mechanical technician- Lathe CNC Operator, Welder, Waiter, Chef, Final wood processing technician and Upholsterer. After completing the final consultations with representative companies from the three sectors, APOS0 published the new occupational standards in July 2014.

Provision of equipment to the Department of Design at the Academy of Fine Arts in Sarajevo. On April 25, 2014 the Academy of Fine Arts in Sarajevo organized an event to mark the opening of a new design cabinet, thanks to support received from FIRMA. The new equipment includes computer hardware and SolidWorks 3D software which will be used for design software training and student design projects. Modernizing this university department will enhance the standard teaching practices for the Academy's product designers and design students will be able to implement their theoretical knowledge into practice. This activity was developed in response to company demands for better trained local designers, especially those working in the furniture sector. The Academy of Fine Arts in Sarajevo plans to continue modernizing this department by procuring additional equipment, including CNC simulators, 3D printers and other sophisticated technology.

The Center for Adult Education in Tesanj. FIRMA supported the establishment of an Adult Training Center in the Tesanj vocational secondary school through the provision of equipment. The Center for Adult Education will deal primarily with vocational training, which will meet the demands of the labor market by providing programs that enable individuals to train as CNC operators, metal grinders, metal cutters, upholsterers, carpenters, mechatronic technicians, etc. The Center was also supported by the Federal Employment Agency, the Municipality of Tesanj, the Mixed Secondary School in Tesanj, the Government of Zenica-Doboj Canton; the Association of Businessmen, Biznis Centar Jelah-Tesanj, as well as Pobjeda, Fad, Mann + Hummel BA and Enker from Tesanj. Of those that were trained, to date 26 people obtained new employment.

Support for Workforce training and new employment in Srebrenica. FIRMA initiated a groundbreaking workforce development program that assisted Prevent to train and recruit new employees in the newly opened factory facility in Srebrenica. Prevent needed 60 staff for a new production facility in Srebrenica and required workers that have skills in sewing, leather leveling and fitting with specific skills in the production of handbrake levers for the automotive industry. FIRMA facilitated the inclusion of ALDI Goražde (local development agency) to implement the activity but we also managed to obtain significant co-funding from UNDP, the Federal Employment Bureau, the Municipality of Srebrenica and potentially the Employment Bureau of Republic of Srpska for the program. A Memorandum of Understanding it expected to be signed in late 2014 when the new factory will be opened.

Seasonal Employment Potential in Canton Sarajevo: FIRMA together with SERDA presented a labor market assessment on skills needs for the tourism sector. The aim of the analysis was to determine the real needs of employers when it comes to the tourism seasonal workforce. The survey was conducted with accommodation providers, travel agencies, high school graduates and the

unemployed people. The key findings were presented to the Management of the Employment Bureau of Sarajevo Canton on August 4, 2014.

The following table summarizes results achieved under FIRMA workforce development activities through project Year 5:

Table 6: Summary of Workforce Development Activities - Cumulative for Y5

Status	Number of trainings	Participants			FIRMA Actual Investment to Date
		Total	Female	Male	KM
Total Completed Activities	129	4,251	1,445	2,806	1,376,915

Over 4251 persons have participated in 129 training-related activities supported by FIRMA, of which 34% were women.

1.6. EU Alignment

Central Bosnia Quality Standards Fund 21 Companies Supported. The Central Bosnia Quality Trades Standard Fund managed by REZ successfully allocated the initial funding of 80,000KM to companies to implement trade certificates. The funds were provided by Central Bosnia Government, Norwegian Embassy and FIRMA. A total 21 companies (of which 12 are FIRMA beneficiary companies) from Central Bosnia Canton were supported through this fund for standards and certificates including FSC CoC, CE Mark and HACCP. REZ is already working on securing additional funding from donors and local governments in order to continue with this activity, as quality and safety standards are necessary for companies exporting to EU countries.

2. Coordination and Advisory Body, Local Government

2.1. Coordination Body

FIRMA held the fifth Coordination Body meeting in Sarajevo during this quarter. The meeting was attended by USAID and Sida representatives as well as FIRMA Coordination body members. FIRMA presented its annual report for year 4 together with the main achievements and results and the Year 5 workplan. The Coordination Body also discussed options for further cooperation with local government institutions in the upcoming period. As this was expected to be the final year of the project, the Coordination Body also discussed the possibility of ensuring the sustainability of some of the major activities implemented by FIRMA – including access to markets and fair support.

2.2. Advisory Board – Value Chain Facilitators

In order to increase FIRMA's ability to reach its goals and to improve sustainability of its programs FIRMA continued to work closely with its VCF partners. The majority of FIRMA's activities are implemented jointly with VCFs either as implementing partners, collaborating implementers or grant recipients. By joint implementation of activities FIRMA builds both the capacity of VCFs and fosters a closer relationship with companies.

The table at right summarizes total funding channeled through VCFs for FIRMA grants.

Table 7: Total Funding for VCFs

VCFs	Value of Actual Spent in KM
NERDA	143,749
Plod Centar	76,101
REDAH	113,509
REZ	292,438
Komora RS	215,802
Komora USK	69,659
Sarajevo Navigator/Linden	220,000
SERDA	237,788
Green Tour/Zelene staze	33,445
ZUP Bascarsija	182,797
NBR	1,290
UPIP	96,558
ZEDA	79,490
LiNK	48,094
VTK	149,500
Drvni Klaster BiH	148,845
Total	2,109,065

On June 25, 2014 FIRMA organized a 2-day Knowledge Transfer Workshop for VCF representatives and representatives of relevant entity and cantonal ministries (e.g. industry, education, science & technology, tourism) as well as employment, education and other support institutions. The purpose of the event was to transfer experiences and approaches applied throughout implementation of 5-year FIRMA project. This workshop was designed to help participants to understand the developed concepts and to apply it in the work of their own institutions / organizations. Presentations included: Monitoring and evaluation, Grant scheme, Consulting Voucher schemes, Trade fairs, Quality standards and Workforce development.



3. Project Progress versus Workplan and PMP

3.1. Progress versus Workplan

In Attachment 5 to this report, Progress vs. Work plan Year 5, we report the status of all of the tasks and activities contained in the original Year 5 Workplan that were due to be completed or initiated during the review period. Most activities due to be completed during the period were in fact completed. Exceptions and updates are reported in the status column of the table. There were no exceptions that significantly affected FIRMA's work.

3.1.1. FIRMA Grants Fund

FIRMA has a \$3.0 million grants fund to support activities which was increased during Year 4 through a contract modification to \$3.3million—approximately KM 4.78 million at the average BAM/\$ exchange rate level over the life of the project. The following table summarizes grant approvals from TEC meetings convened through project Year 5. Fourteen grants were approved in Year 5. Attachment 4 provides the status of the grants fund.

Table 8: FIRMA Grants

TEC Meeting Date	# Grants Approved
Total Year 1	30
Total Year 2	108
Total Year 3	51
Total Year 4	38
Total Year 5	15
Total Project	242

3.2. Progress versus PMP

The FIRMA PMP consists of three primary elements: (i) business results, (ii) Performance Management Indicators (PMIs), and (iii) Return on Investment (ROI).

Business Results – Sector Level: FIRMA's key contractual objectives are expressed in terms of business results: substantial growth over the period of the project in the sales, employment, and business finance of beneficiaries, who must in turn represent at least 40% of the sales of their sectors.

Business results at the sector level are measured through annual Baseline Surveys, the fifth of which was completed during the first half of 2014, once beneficiaries had their final 2013 financial results. The Baseline Survey was distributed to approximately 600 companies from FIRMA's database of stakeholders. The following table summarizes respondents by size:

Table 9: DB Survey Respondents - Key indicators - 2013 (KM MM)

Sector	#Cos	Sales	Exports	Finance	#Jobs
Metal	114	878	509	59	10.904
Tourism	103	100	67	8	1.837
Wood	114	463	269	26	7.026
Total	331	1.441	845	93	19.767

Source: FIRMA Baseline Survey 2014 Report

The metal sector is by far the largest in terms of numbers of jobs, total sales, exports, and finance. Although tourism was solidly represented, the tourism companies are generally small companies having less than 25 employees and sales of 250,000KM or less, thus their business results are traditionally much lower than for other two sectors.

The following table provides a breakdown of respondents by employment.

Table 10: Breakdown of Survey Respondents by Employment

Sector	Number of Respondents by Employment				Total
	<25	25-100	100-250	>250	
Metal	57	46	29	11	143
Tourism	83	13	5	0	101
Wood	61	46	17	6	130
Total # Cos	201	105	51	17	374

Source: FIRMA Baseline Survey 2014 Report

More than one half of all respondents were companies with less than 25 employees. More than a quarter of companies were mid-size companies that had 25 to 100 employees. There was still a good representation of larger companies with 100 or more employees, i.e. 68 companies with 100 employees or more, out of which 17 companies had more than 250 employees. Average employment for DBs and all stakeholders was 62.

Table 11: Designated Beneficiaries Cumulative Investment (MM KM)

Sector	DB Investment 2009-2013
Wood	71
Metal	169
Tourism	31
Overall	271

Source: FIRMA Baseline Survey 2014 Report

In the fifth Baseline report we continued to gather information and data on investments made by our beneficiary companies. From 2009 to 2013, FIRMA surveyed DBs had cumulative investment of 271 million KM out of which some 85 million KM was invested in 2013.

The 5th Baseline Survey is attached to this report with full details of results – Attachment 7.

Business Results – Activity Level: Cumulative as of Year 5, FIRMA supported companies in its three focus sectors to either visit or exhibit at 45 international and BiH fairs. At all of these fairs, FIRMA also organized business-to-business meetings allowing for companies to meet with potential buyers. FIRMA has also supported the establishment of PSAs representing BiH producers so far in the US, German, Swedish, and UK markets. The following table summarizes the investment cost and sales impact of results of fair attendance supported by FIRMA:

Table 12: FIRMA Trade Fairs

Trade Fair	FIRMA KM Investment	Sales in KM (Actual and Expected)	# Cos with results	# Cos Attending	ROI
GAST '10 Fair BiH WS Exhibition	30,385	800,000	8	11	26
INTERIO '10 Fair WP Exhibition & Promotion	8,589	390,000	4	7	45
ZEPS Intermetal Fair 2010	21,836	211,000	4	7	10
European Aluminum Fair 2010- Essen, Germany	18,649	2,500,000	2	5	134
BH National Pavilion - IMM Cologne Fair	56,317	1,725,464	6	7	31
High Point Market Week Fall Fair 2010	33,392	300,000	2	7	9
Belgrade Furniture Fair Promotion Program	14,864	1,575,000	4	4	106
Exhibition of MP companies at Hannover Fair 2011	84,534	2,170,500	5	6	26
Interiors NEC Birmingham Fair 2011	17,596	1,050,000	4	7	60

Trade Fair	FIRMA KM Investment	Sales in KM (Actual and Expected)	# Cos with results	# Cos Attending	ROI
Support the exhibition of Eko Pliva Jajce members at International Tourism Fair in Utrecht, Holland	15,187	112,950	1	1	7
Trebinje Medieval Market Tourism Product	42,742	90,000	27	27	2
Automechanika & Autoinvest 2011 Fair in St.Petersburg	22,497	825,000	4	4	37
INTERIO Fair 2011 WS Joint Exhibition and Promotion	60,724	2,257,842	6	12	37
SEE Auto Compo 2011 Fair in Kragujevac	27,138	1,050,000	2	7	39
GAST Fair 2011	65,368	3,075,000	6	12	47
Outdoor Fairs – Spring 2011: ITB in Berlin and Fiets and Wandel Beurs Outdoor Adventure Trade Fair in Amsterdam	0	12,000	1	2	0
ZEPS Intermetal Fair 2011	70,692	1,018,529	8	8	14
Herzegovina Promotion in Scandinavian Market	36,058	716,012	1	1	20
High Point Spring Fair 2011	14,036	850,000	3	5	61
Fair ICFF New York	8,800	590,000	1	2	67
MIDEST Fair 2011	10,363	2,611,000	1	3	252
Fair SASO 2011	22,036	322,800	8	8	15
Fair IMM Cologne 2012	38,560	2,770,000	5	10	72
Interiors NEC Birmingham Fair 2012	22,934	182,560	7	9	8
Belgrade Furniture Fair 2011	12,730	3,500,000	5	5	275
Sarajevo Holiday Market	80,000	90,000	20	20	1
Fair GAST 2012 Split	32,600	898,000	8	9	28
Fair INTERIO 2012 Sarajevo	67,386	294,000	5	9	4
Exhibition of MP companies at Hannover Fair 2012	50,002	3,825,630	5	5	77
Fair IMM Cologne 2013	59,291	12,990,000	7	7	219
Workshops for Sarajevo Holiday Market (SAHM) Exhibitors	3,000	182,210	24	24	61
ZEPS Intermetal 2012	47,736	4,135,000	7	7	87
Adventure World Summit 2012	3,830	70,000	0	0	18
BAU 2013 Munich	14,028	1,660,000	3	4	118
Ambienta 2012 - Fair	706	1,849,000	5	5	2619
M.O.W. Fair Visit	1,033	505,000	1	2	489
ELMIA Subcontracting 2012	7,908	565,000	3	3	71
Exhibition of MP companies at Hannover Fair 2013	49,483	12,706,000	8	8	257
Belgrade Furniture Fair 2012	13,010	4,510,000	5	6	347
Fair INTERIO 2013 Sarajevo and Wood Convention	60,579	505,000	4	6	8
GAST 2013	23,800	2,536,000	7	8	107
B&H Business outward missions to EU and non-EU markets	25,336	5,011,500	9	12	198
IMM 2014 Fair	41,359	6,571,000	6	7	159

Trade Fair	FIRMA KM Investment	Sales in KM (Actual and Expected)	# Cos with results	# Cos Attending	ROI
Exhibition of MP companies at Hannover Fair 2014	41,692	8,386,166	8	8	201
Fair GAST 2014	23,700	0	0	0	0
Total	1,402,506	97,995,163			70

The overall ROI of all trade fair activities (the ratio of sales impact to FIRMA investment) is 70 – a remarkable result and stands at nearly 98 million KM.

PMIs: FIRMA’s approved PMP stipulates tracking of 17 PMIs – the USAID-Sida-approved “dashboard” of quantitative project results objectives. Attachment 1: Performance Management Indicators shows all PMIs and their status as of the end of Year 5. Indicators are based on activity monitoring reports and follow up evaluation reports that cover 419 implemented activities.

FIRMA has met or surpassed all of its observable PMI targets for Year 5. Sectoral business results targets for Year 4 were also surpassed; actual sectoral business results for Year 5 will be available only in early 2015, when beneficiaries’ full-year financial results are available.

Return on Investment (ROI): FIRMA tracks ROI at the sector level. Sector level ROI is the ratio of cumulative growth in sales of project beneficiaries to cumulative FIRMA investment, which is measured on an annual basis. Annual business results were obtained from the Baseline Survey of 377 companies who responded to FIRMA’s request for information from larger number of stakeholders/companies in the FIRMA Project Activities Database who have taken part in any FIRMA activity. The following results were obtained relative to FIRMA project business results objectives:

Table 13: Sector ROI - All companies

Sector	Sales Growth 2009-2013	Investment	ROI
		KM	
Wood	108	7,8	12,9
Metal	238,3	7,7	22,4
Tourism	23,9	8,1	4,6
Overall	370,2	23,6	15,7

Source: FIRMA Baseline Survey 2014 Report

Sales growth in these tables is calculated as the growth of companies’ sales for 2010, 2011, 2012, and 2013. Investment of project resources is total FIRMA expenses through the end of 2013 allocated by estimate to the sectors.

Looking at all respondent stakeholders, their total sales grew by KM 370,2 million over the last four years, for an overall sector ROI for FIRMA of 15.7. This year FIRMA was over the end of project ROI target of 14.3, as supported by improved industrial production results in 2013.

4. Progress versus Budget

Expenditure during Year 5 was \$3.84million, which is over that expected for Year 5. The total amount was planned to be spent by the end of Year 5 however as the project was extended a number of expenses were postponed, including technical assistance from head office, final event costs, final office close-out and severance pay. These will be spent at the end of the extension period.

FIRMA has distributed its original grant fund, only \$28,000 remains of which \$20,000 is uncommitted.

Table 15: Expenditure vs. Budget Summary - Report Year 5

Line Item	Budget	Expense	Difference	%
Labor	1,815,060	2,038,311	-223,251	112%
Operating & General	823,948	1,195,515	-371,567	145%
Grants & Procurements	330,000	606,728	-276,728	184%
Total	2,969,008	3,840,554	-871,546	129%

Table 16: Expenditure vs. Budget Summary - Cumulative

Line Item	Budget	Expense	Difference	%
Labor	10,032,935	9,742,616	290,319	97%
Operating & General	6,246,390	6,077,885	168,505	97%
Grants & Procurements	3,366,000	3,338,000	28,000	99%
Total	19,645,325	19,158,501	486,824	98%

Staffing: Total project employment at end Year 5 was 16 full-time and 8 part-time / STTA. The Year 5 organization chart is provided in Attachment 3 below.

In Year 5, FIRMA engaged 19 short-term experts in the following areas:

Table 14: Consultants List Year 5

Name of Consultant	Title	Output
Abdulah Hadžiavdić	Trade Show Consultant	Field work with IMM, GAST and Interio shows' participating companies that includes guidance, monitoring, and reporting.
Salih Teskeredžić	WS Design Consultant	Selection of exhibits, participating companies advising, design of final layout of selected exhibits, and reporting.
Nedim Dedić	Solid Works Training Specialist	Provision of training to professors of Technical School Gradiška, Solid Works Introduction course, Advanced modeling, Certification of trainees.
Amar Brkan	Access to Finance Analyst	Assessment of the obstacles to increased access to finance for SMEs in BiH in general and for FIRMA-beneficiary companies in particular, and identification of needs to address them.
Fedjad Zaciragic	Legal Advisor Access to Finance report	Provision of inputs to the FIRMA legal assessment of access to finance obstacles report.
Hrvoje Bogdan	Receivables Management Specialist	Conduction of training for FIRMA beneficiaries for specialized areas of support to improve access to finance.
Zrinski Pelajic	Foreign Direct Investment Support Specialist	Conduction of joint training with the EU project "Establishment and strengthening of business infrastructure to improve SME competitiveness" to support overall business development in BiH.
Goran Lizdek	Consultant for Campaign Visual Identity	Develop visual identity for the Sarajevo 2014 camapigns – regional and domestic.
Damir Hadzic	Consultant for Bascarsija Streets Technical Marking	Develop solution and informational texts for all Bascarsija heritage street signs.

Name of Consultant	Title	Output
	& Heritage Study	
Amela Siber	Consultant for Coordination of Marketing Campaign	Lead and coordinate marketing actions related to Sarajevo 2014 program and campaign. Support Sarajevo Symphony Orchestra effort to develop fundraising capacities.
Nena Markovic	Consultant for Program Activities Development and Implementation	Support ZUP Bascarsija in all project development and implementation tasks, including development of project proposals for Eu funding.
Sandro Drinovac	Graphic design	Develop design solutions for Sarajevo Symphony Orchestra open air concert, Sarajevo City Hall, Heritage and Tourism Development conference identity.
Jan Jilek	Creation and Exec. of Online Media Plan	Develop and implement media presence plan for promotion of Sarajevo 2014 programs through regional media.
Zdravko Miović	Innovation Expert	Completed workshops for VCFs and other stakeholders on developing a system of support for innovation development
Christopher Woodbridge-Cox	UK Market Expert	Preparation of framework for BH Tourism entry into UK market, organization of BH tourism presentation and B2B meetings in UK, and assistance in the organization of FAM trips. (end of 2013 mission)
Dužanka Selaković	Rural Tourism expert	Review of current situation in BH, regional and international practice and recommendations of most effective mechanisms for upgrading standards and practice in BH rural tourism. (end of 2013 mission)
Michael Olwyer	Protected Areas Management Expert	Development of a set of recommendations for Una National park management in order to upgrade its management practice, improve its promotional efforts and identify human resources needs and organize training in Interpretative skills and knowledge. (end of 2013 mission)
Davor Sušić	Souvenirs Value Chain Specialist	Conduct review of supply and demand side and identify gaps and opportunities in tourism souvenirs trade. Facilitate producer-distributor communication and produced catalogue of BiH made souvenirs that best respond to the market needs. (end of 2013 mission)
Fredrick Bjorksater	Scandinavian Market Tourism Specialist	Market entry for Scandinavia, mobilized interest of Swedish tour operators. (end of 2013 mission)

5. Workplan Year 6

The Year 6 workplan was developed to address the requirements in the new Statement of Work for the nine-month extension period. The activities focus on providing grants to flood-affected companies in targeted municipalities.

Attachment 1: Performance Management Indicators

All PMIs in approved FIRMA Performance Management Plan. Activity PMIs are taken from activity monitoring and evaluation reports covering 419 completed activities.

Table 1: Performance Management Indicators																
Work Area	Indicator Type	Indicator Number	Performance Indicator	Contr Req*	Unit*	Target (Cumulative)										Data Source
						Yr1		Yr2		Yr3		Yr4		Yr5		
						Tgt	Act	Tgt	Act	Tgt	Tgt	Tgt	Act	Tgt	Act	
Competitive-ness	F	101	Firms with improved management practices as a result of USG assistance	X	N	65	11	190	417	315	373	440	443	565	567	Activities
	F	102	Firms receiving USG assistance that obtain certification for international standards			20	22	40	189	60	189	200	238	230	255	
	F	103	Exports of firms receiving USG assistance to increase their exports	X	%	10%	10.2%	25%	32%	35%	37%	45%	57%	60%	n/a.	Baseline Surveys
	Custom	104.1	Private financing mobilized with a DCA guarantee - Number of Loans		B	12	0	18	2	32	2	45	5	60	7	Activities
	F	104.2	Private financing mobilized with a DCA guarantee - Amount	X	MM \$	1.2	0	1.8	1.05	3.2	1.05	4.5	4,77	6.0	6,43	
	Custom	105	Aggregate economic scale of beneficiaries	X	%	20%	B	30%	43%	40%	56%	40%	53%	40%	n/a	Baseline Surveys
	Custom	106	Sales of project beneficiaries	X	N	5%	10.8%	15%	21%.	30%	31%	40%	40%	50%	n/a	
			<i>Sales of project beneficiaries – women led</i>			2,8%		11,8%		42,8%		48,9%				
	Custom	107	Employment of project beneficiaries	X		3%	5%	10%	14.5%	21%	27%	28%	38%	35%	n/a.	
			<i>Employment of project beneficiaries – women led</i>				n/a.		F28%M72%		F28%M72%		F17%M82%			
Custom	108	Business finance to project beneficiaries	X	6%		6**%	12%	18%	24%	34%	32%	52%	40%	n/a		

** First year finance growth is based on the information about new debt from the baseline survey 2012.

Table 1: Performance Management Indicators																
Work Area	Indicator Type	Indicator Number	Performance Indicator	Contr Req*	Unit*	Target (Cumulative)										Data Source
						Yr1		Yr2		Yr3		Yr4		Yr5		
						Tgt	Act	Tgt	Act	Tgt	Tgt	Tgt	Act	Tgt	Act	
	F	109	Firms receiving USG assistance that obtain EU-aligned standards or certifications		N	10	>	30	189	50	189	200	238	230	255	Activities
Workforce Development	F	201	Persons completing USG-funded workforce development programs		N	225	359	750	1,212	1,275	2,337	3,800	3773 F 1291 M 2482	4,000	4318 F 1455 M 2863	Activities
	F	202	Persons gaining employment or better employment as a result of participation in USG-funded workforce development programs	X		150	125	350	728	550	1,305	2,100	2128 F 556 M 1572	2,400	2425 F 604 M 1821	
	Custom	203	Persons participating in FIRMA-supported WfD programs from disadvantaged / excluded groups			50	>	100	438	150	992	1,200	1322	1,300	1718	
Gender / Inclusion	Custom	301	Women-led businesses in the 3 FIRMA focus sectors		N	#/0%	43	#/3%	121	#/5%	148	#/7%	165	#/10%	188	Activities
	Custom	302	FIRMA beneficiary SMEs employing the socially / economically excluded		N	#/ 3%	B	#/5%	123	#/8%	135	#/10%	138	#/12%	171	
Business Environment	F	401	Policy, legal, and regulatory changes adopted in connection with USG assistance		N	track	0	>>	8	>>	17	>>	21	>>	30	Activities
Sustainability	Custom	501	Implementing partners fully capable of taking over FIRMA functions and financially sustainable		N	1	2	2	2	5	2	6	6	7	7	Independent Assessment
* X = indicator required by contract ** All data disaggregated by gender whenever meaningful B = baseline report needed to determine results																

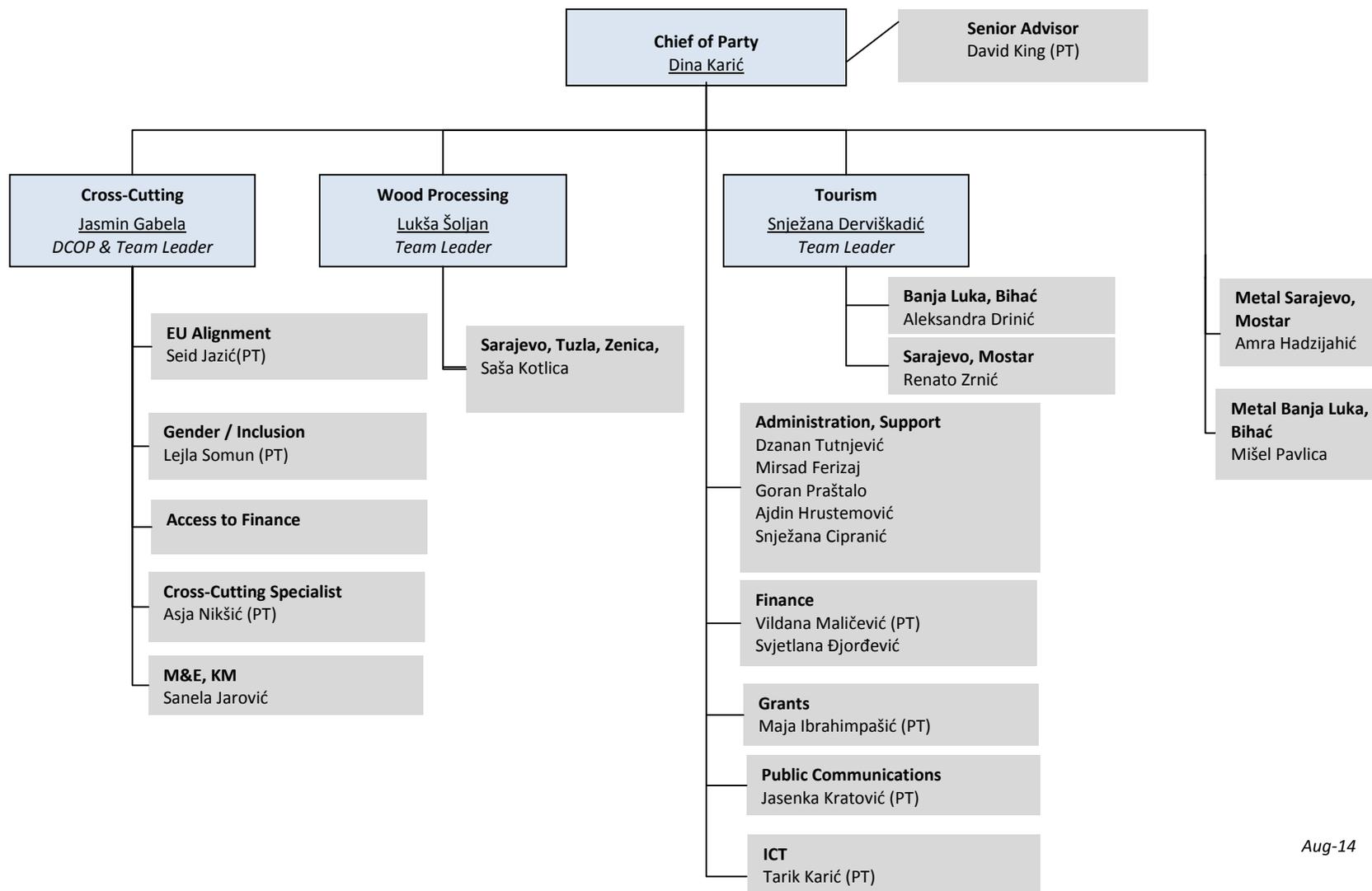
Attachment 2: Project Documentary Outputs

FIRMA prepared 24 significant assessments, reports and activity outputs in Year 5:

Table 15: FIRMA Documents & Reports – Year 5

Document/Report Name	Date
1. Baseline survey 2014	Aug - 2014
2. Sarajevo City Hall leaflet	Aug - 2014
3. BiH Industry Outlook 2014, Wood and Metal Processing Sectors	June - 2014
4. Tourism Product of North Western BiH	July - 2014
5. Gap Analysis in Seasonal Employment in Tourism for Sarajevo	May - 2014
6. Sponsorship Model and Package Proposals for Sarajevo Symphony Orchestra	July - 2014
7. Rural Tourism brochure	July - 2014
8. Sarajevo Symphony Orchestra Open Air Concert leaflet	May - 2014
9. Jajce Guide training Program	Apr - 2014
10. Original Sarajevo Quality Brand Kit	Apr - 2014
11. Sarajevo 2014 Event Program	Jan - 2014
12. Joint Industry Catalogues	May - 2014
13. Bor Catalogue	Apr - 2014
14. Eden Garden Catalogue	Apr - 2014
15. Elda Lux Catalogue	July - 2014
16. GMC Catalogue	June - 2014
17. Success story: Rattan Sedia from Brcko sweeps the "Ambienta 2013" awards in Zagreb	Nov - 2013
18. Success story: BiH Furniture Companies Secure One Million Euros in New Sales at IMM Cologne Fair 2014	Jan - 2014
19. Success story: Members of Banja Luka Wood Cluster sign significant sales contracts with foreign clients	Feb- 2014
20. Success story: New Portal - Touristic offerings for "Destination Sarajevo" all in one place	Apr - 2014
21. Success story: Eighteen Sarajevo Artisans Receive "Original Sarajevo Quality" Certificates of Authenticity	May - 2014
22. Success story: BiH Furniture Producers Express Support for Flood Affected People	May - 2014
23. Success story: BiH Rafters Send a Message of Unity and Humanity to the Entire Region	May - 2014
24. Success story: Toys and Sweets for Children in Maglaj and Dobo	June - 2014

Attachment 3: FIRMA Work Organization – Y5



Aug-14

Attachment 4: Grant Fund Status

GRANT UTILISATION TABLE AS OF 31 AUGUST 2014			
	\$ Amount	Exchange Rate	
Total Grants per TEC*	\$3,284,095		
Amount Spent	\$3,248,156	\$1.43	
Amount to be Paid (61.507 KM)	\$35,939		
Spending Summary of Completed Activities in KM			
	Final Spent/Final Budget		
Wood Processing	1,213,799		
Metal Processing	1,033,091		
Tourism	1,559,456		
Cross Cutting	727,850		
Total	4,534,196		
Spending Summary of Ongoing Activities in KM			
	Committed	Spent	Remaining to be paid
Wood Processing	66,700	11,800	54,900
Metal Processing	0	0	0
Tourism	0	0	0
Cross Cutting	95,360	88,753	6,607
Total	162,060	100,553	61,507
Summary of Spent Activities			
Amount Spent for Completed Activities	4,534,196		
Amount Spent for Ongoing Activities	100,553		
AMOUNT SPENT in KM	4,634,749		
AMOUNT SPENT in USD	3,248,156		
Total Grants Per TEC is calculated as Final Spent for Completed (KM 4.534.196) + Ongoing Committed (KM 162.060) divided by \$ exchange rate of 1.43.			

Explanation of Figures reported in the table above:

- Total Grants per TEC is calculated as Actual Spent Amount plus Committed Amount of Ongoing Activities per TEC approvals;
- Amount Actual Spent - this figure represents actual amount spent as of end of reporting quarter;
- Amount to be Paid: this amount is calculated as the amount Committed less what has already been paid;

Definition of Committed: this is the amount approved by the TEC meetings for activities, when the activity is at a Concept Note stage. The TEC approval to Concept Notes represents a general approval to FIRMA to start negotiating actual budgets for individual grants to beneficiaries. The Commitment amount is a framework budget that shows the maximum amount of resources that could be committed to the grant. This amount is often greater than the actual budget, because once budget negotiations start a detailed budget is developed. The budget in the grant contract must not exceed the Committed Amount.

Table: Spending Summary of Completed Activities in KM

- Final Spent/Final Budget: shows the amount spent in KM;
-

Table: Spending Summary of Ongoing activities in KM

- Committed Amount: this is shown for each sector and is the total approved by the TEC at the Concept Note stage;
 - Actual Spent: shows the amount spent in KM;
 - Balance Remaining: difference between Committed Amount and Actual Spent. These funds are reserved until the activity is completed. All balances that have not been used will be returned to the grant pool of funds;
-

Table: Summary of Spent activities

- Shows the total spent in KM – broken down for completed and ongoing activities;
- Shows the total amount spent in USD using exchange rates applicable on the day of payment;

Attachment 5: Progress vs. Work Plan Year 5

Task Area / Component	Activities	Activity Period	Expected Results	Status
General & Operational				
1. Administrative	1.1 FIRMA VCF strengthening <ul style="list-style-type: none"> VCF monitoring & management VCF capacity-building (training programs: Access to Finance, EU Standards, & Grant Proposals) 	Sep 13 – Aug 14	<ul style="list-style-type: none"> Improved capacity for sustainability of VCFs and FIRMA 	<ul style="list-style-type: none"> Completed FIRMA organized a 2-day Knowledge Transfer Workshop for all VCF representatives with aim to transfer experiences and approaches applied during FIRMA project.
	1.2 Grant Monitoring	Sep 13 – Aug 14	<ul style="list-style-type: none"> Full conformance with contractual grant management requirements 	<ul style="list-style-type: none"> Completed
	1.3 PAD / M&E	Sep 13 – Aug 14	<ul style="list-style-type: none"> Full project activities and results tracking through PAD Improved results reporting to USAID & Sida 	<ul style="list-style-type: none"> Completed
2. General	2.1 Collaboration with local governments and other donor funded projects on developing SME support programs and funding <ul style="list-style-type: none"> FIRMA Coordination Body meetings 	Sep 13 – Aug 14	<ul style="list-style-type: none"> Collaborative funding of FIRMA-consistent activities Meetings of CB 	<ul style="list-style-type: none"> Completed
	2.2 Public Communications & campaign management	Sep 13 – Aug 14	<ul style="list-style-type: none"> Promotion of FIRMA approach and activities Targeted campaign impact 	<ul style="list-style-type: none"> Completed
	2.3 Year 4 Baseline Survey	Feb 14 – Apr 14	<ul style="list-style-type: none"> Data for measuring business results impact 	<ul style="list-style-type: none"> Completed
Metal Processing				
1. Product & Productivity	1.1 Product Development	Until Dec 13	<ul style="list-style-type: none"> 2 MP companies have developed new products 	<ul style="list-style-type: none"> Completed Two companies developed new products, products tested and prototypes are operational.
	1.2 Krajina Regional Innovation Facility	Oct 13 - May 14	<ul style="list-style-type: none"> Innovation facility in Krajina region established 	<ul style="list-style-type: none"> Completed MoUs for innovation support activities signed by involved organizations on 30th July.
	1.3 Certification of Production Plants	Until Dec 13	<ul style="list-style-type: none"> Up to 11 companies certified 	<ul style="list-style-type: none"> Completed. 11 certificates introduced for 9 participating

Task Area / Component	Activities	Activity Period	Expected Results	Status
				companies.
	1.4 CE sign or similar certificate	Until Dec 13	<ul style="list-style-type: none"> At least 5 MP companies supported in implementing CE sign or TS 16949 or similar certificate 	<ul style="list-style-type: none"> Completed In total 6 companies were supported in CE sign or similar certificate. Additional 5 are in process: 1 of which aborted its participation, 4 completed the process.
	1.5 Prijedor Municipality MP Quality Fund	Oct 13 - May 14	<ul style="list-style-type: none"> At least 5 MP sector companies receive EU required standards / certificates 	<ul style="list-style-type: none"> Completed 2 companies completed certification.
	1.6 QTC Fund through REDAH	Dec 13	<ul style="list-style-type: none"> Up to 15 companies are supported through the voucher program, of which 30% are women-led businesses 	<ul style="list-style-type: none"> Completed 14 companies supported in total.
2. Connection to Markets	2.1. Exhibition at Hannover 2014	Oct 13 - May 14	<ul style="list-style-type: none"> At least 5 BiH metal processing companies exhibited at Hannover Fair 	<ul style="list-style-type: none"> Completed 5 companies exhibited at joint stand at Hannover 2014 while additional 3 companies exhibited individually.
	2.2. B2B and Fair in Turkey	Sep 13	<ul style="list-style-type: none"> At least 2 companies participated 	<ul style="list-style-type: none"> Completed Three companies participated in visit.
	2.3. Business delegations to Russia, Sweden, etc.	Apr 13 - May 14	<ul style="list-style-type: none"> Up to 3 outward mission including B2B conducted, 20 companies attended 	<ul style="list-style-type: none"> Completed Missions to: Russia (25 comp. , 7 institutions), Austria (20 comp. , 1 institutions), Utrecht (14 comp. participated), Istanbul (3 comp. participated), mission to Slovakia (8 companies).
	2.4. B2Bs between Dutch and BiH companies during ZEPS Intermetal 2013	Oct 13	<ul style="list-style-type: none"> Up to 20 individual meetings held 	<ul style="list-style-type: none"> Completed 5 Dutch companies met 20 BiH companies.
	2.5. Support in developing promotion materials	Mar 14-May 14	<ul style="list-style-type: none"> Up to 3 companies supported 	<ul style="list-style-type: none"> Completed 3 companies selected and completed.
3. Business Environment	3.1. Metal Forum 2013	Until Dec 13	<ul style="list-style-type: none"> Metal Forum 2013 at ZEPS 2013 held; at least 50 attendees at Forum present; Operational Team initiated up to 3 conclusions of "Metal Forum" 	<ul style="list-style-type: none"> Completed Metal Forum 2013 held; 74 participants (10 companies)
	3.2. SERDA Project Academy	Oct 13 – Dec 13	<ul style="list-style-type: none"> 2-3 PCM FP7 tailored training conducted, 30 participants (companies + 	<ul style="list-style-type: none"> Completed First training held in January 2014 (17

Task Area / Component	Activities	Activity Period	Expected Results	Status
			research/academic institutions) attended	participants). Second training held in April 2014 (12 participants).
	3.3. Cluster Manager Education	Jan 14 - May 14	<ul style="list-style-type: none"> At least 3 cluster managers trained 	<ul style="list-style-type: none"> Canceled - not enough interest by beneficiaries.
	3.4. Assist RAUSK in organization of Focus Groups with MP companies	Jan 14 – May 14	<ul style="list-style-type: none"> At least 3 FG meetings held 	<ul style="list-style-type: none"> Completed 1 focus group meeting held. The other did not take place, since RAUSK did not undertake further activities.
Wood Sector				
1. Product & Productivity	1.1 Connecting Designers and WS SMEs	Sep 13 - Jun14	<ul style="list-style-type: none"> 5 companies developed original products/products lines; Design teams established, Design students and graduated students gain experience and references 	<ul style="list-style-type: none"> Completed 5 Design teams developed original products for Companies: Economic Vitez, Petroprojekt Bratunac, Hidra Stil Brčko, Izazov Kalesija and Rukotvorine Konjic.
	1.2 QUERCUS 2014 (sub-activity of Interio 14)	Jan 14 – May 14	<ul style="list-style-type: none"> Competition of young designers held New original design ideas offered Up to 50 designers participated 	<ul style="list-style-type: none"> Completed Because of the fair INTERIO 14 (21-26.5.2014) postponing from March to May the contest was canceled. The usual event was held with the presentation of Catalog QUERCUS 14 covering former contests' works (230 in total) from 2011-2013 was made and presented at Fair INTERIO & Exterio 2014.
	1.3 Training - Export marketing plan-HOW TO PENETRATE EUROPEAN MARKETS	Sep 13 - Dec 13	<ul style="list-style-type: none"> Up to 12 wood-processing companies attend the training 	<ul style="list-style-type: none"> Completed with RS CoC Completed with REZ (10 companies participated).
	1.4 Establishing Wood Quality Center	Sep 13 - Jun 14	<ul style="list-style-type: none"> Established Center for quality assurance and control system in wood industry; Up to 30 WS companies participated in quality control training. Quality control system based on FPC (TA) introduced in 8-10 companies 	<ul style="list-style-type: none"> Completed Established WQ Center and Wood Quality Fund.
	1.5 FSC CoC certification (TA) (and other certificates)	Sep 13 - Jun 14	<ul style="list-style-type: none"> Up to 6 companies completed FSC CoC (or some other) certificate 	<ul style="list-style-type: none"> Completed 10 companies FIS Vitez, Standard Sarajevo, Drvoprodukt Ilijaš, Malagić Živinice,

Task Area / Component	Activities	Activity Period	Expected Results	Status
				Malagić&Divani, INGRAT Gračanica, Izazov Kalesija, MS&WOOD Fojnica, Namještaj Gradačac and NIRBO Vinac successfully completed the certification process and received the FSC CoC certificate. STANDARD Sarajevo and FIS Vitez successfully completed the certification process and received the ISO 9001. Namještaj Gradačac and FIS Vitez completed process of CE marking for 3 products.
	1.6 Further strengthening Logs distribution system in USK	Sep 13 - Jun 14	<ul style="list-style-type: none"> Transparent logs distribution system enabling favorable conditions for added value producers and to horizontal linkages between added value producers and sawmills 	<ul style="list-style-type: none"> Completed Logs distributed in accordance with the established system. This time this was done by USK Forestry who excluded USK CoC from the process. Although calculations are done correctly, FIRMA insisted in bring USK CoC back in the process because of the transparency of the process.
	1.7 Deliver general and advanced training in management to DRVO cluster Banja Luka members	Jan 14 - Mar 14	<ul style="list-style-type: none"> Up to 12 member companies trained and familiarized with the latest management techniques and methods 	<ul style="list-style-type: none"> Completed Technical documentation developed.
	1.8 Specific WS trainings and workshops- Training for better sawlog utilization	Sep 13 - Dec 13	<ul style="list-style-type: none"> Up to 24 wood-processing companies trained (up to 30 persons) 	<ul style="list-style-type: none"> Completed Two trainings were organized, 30 participants.
2. Connection to Markets	2.1. Support in developing of promotional materials	Sep 13 - May 14	<ul style="list-style-type: none"> Developed promotional materials for up to 5 companies 	<ul style="list-style-type: none"> Completed Completed catalogues for BOR Bihać, Eden Garden, I. Sarajevo, and catalogue Wood Industry BH - FTC BH. Supported production of HQ photographs for companies MEGA drvo Bijeljina and Bosnia Beech Line; membership for online platform ARCHITECTONIC for Rukotvorine, established on line platform for promotion (and Sale) of BH wood industry products in regional market.

Task Area / Component	Activities	Activity Period	Expected Results	Status
	2.2. Organize exhibitions and fairs	Sep 13 – Aug 14	<ul style="list-style-type: none"> • 15-20 companies exhibited at fairs / increased level of export sales to targeted regional and international targeted markets • Belgrade 2013 • IMM 2014 Cologne • GAST Split 2014 • Other(s) 	<ul style="list-style-type: none"> • Completed • IMM 2014 - completed, participated 7 companies, initial sales during the fair is over 1 million Euro • GAST 2014 - completed 6 companies participated • INTERIO&EXTERIO 2014 completed, 4 companies participated in joint stand. Totaling 17 companies. • RS CoC decided not to participate at the Belgrade 13 fair.
	2.3 PSA Germany and or PSA Italy support	Jan 14 – Jun 14	<ul style="list-style-type: none"> • Increased number of participating companies (3 to 5 additional companies) • Promotional event(s) held 	<ul style="list-style-type: none"> • Completed for PSA Germany • PSA Italy cancelled – sales agent could not be identified.
	2.4 B2B meetings – INTERIO 2014	Feb 14 – Jun 14	<ul style="list-style-type: none"> • Up to 8 foreign companies participated • Up to 15 BH companies participated • Up to 50 meetings held 	<ul style="list-style-type: none"> • Completed • Due to flood most of the foreign participants canceled participation. • 1 company from Netherlands participated and held business meeting with IZAZOV Kalesija, SMRČA, MS&WOOD, ZEDEX Zenica and Rukotvorine Konjic. Also, all participating companies held 6 B2B meetings on joint products and cooperation, totaling 10 meetings.
	2.5. Trade mission Netherland	Sep 13 - May 14	<ul style="list-style-type: none"> • 5 to 10 BH companies participated, up to 30 business meetings held 	<ul style="list-style-type: none"> • Cancelled REZ gave up the originally planned B2B in Netherlands.
3. Business Environment	3.1. EUTR 995/2010-conference follow up (TA)	Sep 13 - May 14	<ul style="list-style-type: none"> • FIRMA activities fully implemented and Action plan – EUTR Conference (Authorities' activities – lobbying for - CITES, etc.); 	<ul style="list-style-type: none"> • Completed
	3.2. Develop and implement Log distribution system in ZeDo	Sep 13 - Jun 14	<ul style="list-style-type: none"> • Log distribution system established 	<ul style="list-style-type: none"> • Terminated Due to staff changes in ZeDo Canton.

Task Area / Component	Activities	Activity Period	Expected Results	Status
	3.3. USK WS Development Policy follow up (TA)	Sep 13 – Jun 14	<ul style="list-style-type: none"> • WS policy implemented 	<ul style="list-style-type: none"> • Completed
	3.4. Joint Annual Forestry Conference (Interio 14)	March 14	<ul style="list-style-type: none"> • AP for fighting illegal activities analyzed • Certification and new projects update 	<ul style="list-style-type: none"> • Completed • 6 presenters with written presentations, 37 participants.
Tourism				
1. Product & Productivity	1.1 Development of tourism product at protected areas	Aug 13 - Nov 13	<ul style="list-style-type: none"> • Framework document for improving management of tourism flows at NP Una with recommendations 	<ul style="list-style-type: none"> • Completed
	1.2 Sarajevo Destination Portal	Aug 13- Dec 13	<ul style="list-style-type: none"> • Destination portal development – final stage 	<ul style="list-style-type: none"> • Completed
	1.3 Ramadan Festival of Islamic Traditions	Aug 13 – Aug 14	<ul style="list-style-type: none"> • New product established and site upgraded to receive visitors 	<ul style="list-style-type: none"> • Completed
	1.4 Kozara MTB Routes	Aug 13 - Oct 13	<ul style="list-style-type: none"> • 8 routes opened (5 new) • Mt. and NP Kozara built into EU network for routes 	<ul style="list-style-type: none"> • Completed
	1.5 Ciro Train Revival	Aug 13 – Nov 13	<ul style="list-style-type: none"> • Project proposal delivered and en route to secure EU funding 	<ul style="list-style-type: none"> • Completed
	1.6 Baljvine Village	Nov 13 – Jun 14	<ul style="list-style-type: none"> • Rural tourism offer initiated 	<ul style="list-style-type: none"> • Completed
	1.7 Western Hercegovina Project development	Sep 13 – Nov 13	<ul style="list-style-type: none"> • Project fully developed and submitted for EU Cross-border CRO-BiH program 	<ul style="list-style-type: none"> • Terminated
	1.8 Interpretative Skills Training with Trail Management Workshop	Sep 13	<ul style="list-style-type: none"> • 17 NP Una staff and tourism stakeholders able to lead interpretative activities • 1 person from protected zone Sarajevo trained in interpretative skills and trail development 	<ul style="list-style-type: none"> • Completed
	1.9 ATTA EDU Training	Aug 13 – Oct 13	<ul style="list-style-type: none"> • Market intelligence and product definition skills improved • Stronger regional network and linkages 	<ul style="list-style-type: none"> • Completed

Task Area / Component	Activities	Activity Period	Expected Results	Status
			leading to new packaging and regional tours	
2. Connection to Markets	2.1 Promotion through Sarajevo Destination Portal	Dec 13 – Aug 14	<ul style="list-style-type: none"> • Portal operational and active 	• Completed
	2.2 Sarajevo 2014	Aug 13 – Jul 14	<ul style="list-style-type: none"> • Improved market awareness of Sarajevo and 2014 heritage 	• Completed
	2.3 US Outdoor Market – Media	Aug 13 – Mar 14	<ul style="list-style-type: none"> • At least 8 articles published 	• Completed
	2.4 Western Balkans Geotourism Map Guide	Aug 13 – Jan 14	<ul style="list-style-type: none"> • Active BiH presence at the portal – at least 80 nominations 	• Completed
	2.5 BH Brand Tool Kit	Aug 13 – Sep 13	<ul style="list-style-type: none"> • Tool kit published and distributed among industry 	• Completed
	2.6 Archeology and Tourism Conference	Oct 13 – Jun 14	<ul style="list-style-type: none"> • Raised awareness of archeology and tourism link among academic, administrative and business audiences • Regional and international linkages established 	• Terminated
	2.7 Scandinavian Market	Aug 13 – Nov 13	<ul style="list-style-type: none"> • At least 5 potential partnerships 	• Completed
	2.8 Turkish Market – Adventure/Outdoor	Aug 13 – Sep 13	<ul style="list-style-type: none"> • Adventure programs on offer • At least 5 potential packages in development for sales within first year 	• Completed
	2.9 UK Market	Aug 13 – Dec 13	<ul style="list-style-type: none"> • Increased awareness in UK market through published articles (at least 10) • 5 new programs developed and released with target markets 	• Completed
	2.10 ATTA Regional Workshop	Nov 13 – Jun 14	<ul style="list-style-type: none"> • New regional connections and partnerships • Improved knowledge of latest market trends for adventure travel 	• Regional conference held but not enough focus on BiH
3. Business Environment	3.1 Tourism Statistics	Oct 13 – Jul 14	<ul style="list-style-type: none"> • Established platform for cooperation under MOFTER coordination • Initiated tourism statistics improvement 	• Completed

Task Area / Component	Activities	Activity Period	Expected Results	Status
			processes	
	3.2 Craft Certification Program	Aug 13 - May 14	<ul style="list-style-type: none"> • Certification completed for 21 craftsmen; • Certification model established and promoted 	• Completed
	3.3 Rural Accommodation	Aug 13 – May 14	<ul style="list-style-type: none"> • Gap analysis of current models and regulations completed 	• Completed
	3.4 Sarajevo Destination	Aug 13 – Jun 14	<ul style="list-style-type: none"> • Core coordination platform defined and established • Access to 2014 allocated international funding 	• Completed
	3.5 Seasonal Employment in Tourism	Sept 13 – Jun 14	<ul style="list-style-type: none"> • Gap analysis • Targeted programs in development 	• See Cross Cutting 1.1.
	3.6 Donor Coordination	Sep 13 – Jul 14	<ul style="list-style-type: none"> • Improved coordination among tourism focused projects for bigger impact 	• Completed
	3.7 Sarajevo Philharmonic Orchestra	Sep 13 – Jul 14	<ul style="list-style-type: none"> • Open air concert with donor events 	• Completed
Access to Finance				
Financial Sources & Products	1.1 Current sources of SME access to finance workshops Sarajevo Mostar and Zenica	Oct 13 - Nov 13	<ul style="list-style-type: none"> • Workshops held, 45 companies familiarized with current A2F sources 	• Completed
	1.2 QBFC program	Oct 13 - Aug 14	<ul style="list-style-type: none"> • 10 companies supported 	• Completed
	1.3 Investment case study for pellet production	Oct 13 - Jan 14	<ul style="list-style-type: none"> • Investment study prepared 	• Completed
	1.4 Workshop on financial management in companies (liquidity management, managing receivables, management of investment projects)	Feb 14 - Mar 14	<ul style="list-style-type: none"> • Workshops held, 45 companies improved financial management skills 	• Completed
	1.5 Direct technical support to improved financial management in VC companies	Oct 13-Jun 14	<ul style="list-style-type: none"> • 5 companies supported 	<ul style="list-style-type: none"> • Completed 5 companies supported: Mivico doo Posušje, Budo doo and Sofić szr, EE Euro Exim doo Breza and Pelex doo Cazin.

Task Area / Component	Activities	Activity Period	Expected Results	Status
Gender & Social Inclusion				
1. Gender Mainstreaming	1.1 Support to International women entrepreneurship day.	Jun-Jul 14	<ul style="list-style-type: none"> Recommendation prepared 	Cancelled – resources directed to another activity.
Workforce Development				
1. Workforce Skills Needs – the Demand Side	1.1 Seasonal employment in tourism industry implementation will go through the three phases (crosscutting and tourism)	Oct 13 –Jul 14	<ul style="list-style-type: none"> Employment of min. 200 seasonal workers 	<ul style="list-style-type: none"> Completed – analysis is completed presented to the Management of the Sarajevo Cantonal Employment Bureau on August 4.
	1.2 Srebrenica Employment	Oct 13 – Jul 14	<ul style="list-style-type: none"> 72 workers employed and 95 people trained 	<ul style="list-style-type: none"> Completed Implementation of the project is finalized and MoU is to be signed in September 2014.
2. Institutions of Workforce Development – the Supply Side	2.1 Establishment of the Quick impact fund/or direct implementation of training activities and employment of at least 100 people (crosscutting together with sectors)	Nov 13 - Jul 14	<ul style="list-style-type: none"> Fund established, 100 people employed and 150 improved their skills 	<ul style="list-style-type: none"> Completed
	2.2 Establishment of training center in Prijedor (metal and crosscutting)	Oct 13 –Jul 14	<ul style="list-style-type: none"> Training center established, 60 people employed 	<ul style="list-style-type: none"> Completed

Attachment 6: Work Plan Year 6

FIRMA Extension Work Plan

Task Area / Component	Activities	Activity Period	Expected Results
General			
1. General	1.1 Develop workplan for extension period	Aug 14	<ul style="list-style-type: none"> Work plan completed and adopted by Joint Management Committee
	1.2 Determine indicators for extension period	Aug 14	<ul style="list-style-type: none"> Indicators determined and incorporated into PMP and approved by USAID Data quality sheet developed for new indicators
	1.3 Regular meetings with donors (CRS, UNDP, IFC, WBG and others)	Aug 14 – April 15	<ul style="list-style-type: none"> Coordinate activities with other donors who are actively supporting livelihoods recovery in flood-affected areas. Hold regular meetings and share information.
2. Reporting	2.1 Quarterly Reports	Aug 14 – Mar 15	<ul style="list-style-type: none"> Reports prepared and submitted to JMC
	2.2 Annual Report	Oct 14	<ul style="list-style-type: none"> Report prepared and submitted
	2.3 Final report	Apr 15 – May 15	<ul style="list-style-type: none"> Report prepared and submitted
	2.4 Year 5 Baseline Survey	Feb 15 – May 15	<ul style="list-style-type: none"> Data gathered and analysis completed
3. Strategic communications and public outreach	3.1 Web content updated to reflect extension activities	Aug 14 – Sept 14	<ul style="list-style-type: none"> Content updated
	3.2 Regular events to promote extension activities	Sept 14 – May 15	<ul style="list-style-type: none"> Success stories written and disseminated, and PR activities conducted Other events covered with USAID and Sida management
	3.3 Final event	May 15	<ul style="list-style-type: none"> Final event organized
Activity 1: Support To Maintain Jobs			
1. Market assessment	1.1 Screening of companies	Aug 14	<ul style="list-style-type: none"> Randomly selected companies in flood-affected areas assessed
2. Develop interventions to support companies	2.1 Develop and agree on criteria for grants	Aug 14	<ul style="list-style-type: none"> Criteria developed and approved by JMC
	2.2 Request for Applications completed and published	Aug 14 and Oct 14	<ul style="list-style-type: none"> RFA developed and published – initially Aug 14 and repeated Oct 14
	2.3 Concept Note development	Aug 14	<ul style="list-style-type: none"> Concept Notes developed
	2.4 Hold info sessions	Aug 14 and Oct/Nov 14	<ul style="list-style-type: none"> First info sessions held to explain grants (August): Dobo, Samac, Maglaj Second round of info sessions held if required
3. Grant	3.1 Sign grant agreements with company- beneficiaries	Sept 14 – Jan 15	<ul style="list-style-type: none"> Approximately 65 companies supported

Task Area / Component	Activities	Activity Period	Expected Results
implementation	approved by JMC		
	3.2 Monitor implementation of grants	Oct 14 – May 15	<ul style="list-style-type: none"> Approximately 65 grants implemented and regularly monitored
Activity 2: Demand Side Support - Linking Flood Affected Companies			
1. Linking BiH companies to new opportunities in flood recovery efforts	1.1 Collect information on donor and government activities in the area of infrastructure and housing recovery	Aug – Sept 14	<ul style="list-style-type: none"> Information on gov't and donor collected and presented to companies
Activity 3: Support for Companies to Access Finance			
2. Support to flood-affected companies to access funds/finance	1.1 Gather information on credit lines and bank policies for flood-affected companies	Aug – Sept 14	<ul style="list-style-type: none"> Information collected and presented to companies during informational sessions and on project website
	1.2 Promote and engage Qualified Business Finance Consultants (QBFC) activities	Sept 14 – April 15	<ul style="list-style-type: none"> Approximately 10 companies supported to access financing from development lines-of-credit and commercial through FIRMA QBFC program
	1.3 Identify crowd-funding opportunities; prepare projects	Oct 14 – April 15	<ul style="list-style-type: none"> Identify at least 1 project for crowd-funding platform
Activity 4 and 5: Improving Business Environment			
1. Leveraging government resources	1.1 Identify government (municipal, entity, and Zenica-Doboj canton) actions to support flood-affected companies	Aug 14 – Sept 14	<ul style="list-style-type: none"> Entity, cantonal, and municipal support identified and companies informed, including: lines-of-credit, grant programs and taxes/fees waived Information presented to companies
	1.2 Propose more transparent government SME support programs	Oct 14 – Mar 15	<ul style="list-style-type: none"> Provide selected government ministries with tools and procedures for more transparent implementation and monitoring of grants
2. Business environment	2.1 Short-term/immediate business environment improvements	Aug 14 – Sept 14	<ul style="list-style-type: none"> Meetings held with government representatives; information collected/reported Areas for short-term improvements identified and implemented FIRMA activities announced and coordinated with mayors of flooded areas in FIRMA SOW
	2.2 Identify possible areas where long-term obstacles to business environment can be addressed (possibly in areas of flood improvement and transparency)	Aug 14 – Apr 15	<ul style="list-style-type: none"> Identify specific obstacles through coordinating and leveraging resources with other donors and projects (IFC, USAID-Sida GOLD, World Bank etc.) Develop Briefing Memo for JMC explaining which areas to pursue for government commitment to reform Obtain commitment from relevant government authorities to reform

Attachment 7: Baseline Survey 2014

See separate file.